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DISCOVERY OF PLO TERRORIST TARGET LIST

AU211121 Vienna KURIER in German 23 Dec 81 p 5

["Exclusive report" by Erich Grolig: "More Bloody Attacks in Austria Planned; Secret List With Terrorist Targets"]

[Summary] "Now it is clear: The assassination of [Vienna City Councilman Heinz] Nittel and the attack on the Vienna synagogue were intended merely as the beginning of a tremendous wave of attacks by Palestinian terrorists in Austria. Austrian state security police discovered a list containing 60 names of Israeli and Jewish institutions as well as Austrian organizations where Jewish functionaries play a predominant role. And all 60 were to become targets of bloody attacks by Arab terrorists."

The list includes: "The office of the [Vienna] Jewish religious community; the office of the Israeli airlines 'El Al'; the Caesarea kosher restaurant on Seitenstettengasse; the Israeli Embassy; apartments of Israeli Embassy employees; the offices of organizations of former concentration camp inmates; the 'Israel Tourist Office' and the 'Jewish Welcome Service,' both on Stephansplatz; as well as a number of Jewish charity institutions in Vienna and in the provinces."

At first nothing was known about who compiled the list, except that it seemed certain that the authors were not too well informed about recent developments, as the list contained some targets that actually no longer exist. Eventually, some indications were discovered that gave rise to the suspicion that the list was compiled by former Vienna PLO representative Ghazi Husayn. "Informers supplied state security police with another interesting detail: They claimed that Husayn most likely compiled the list with the aid of his wife Rosi who, as a former GDR citizen, reportedly is in close contact with the East Berlin State Security Service. And they added that there are undoubtedly several copies of the list that were made available to several terrorist organizations in the Middle East."

This could mean that in the future not only Abu Nidal's al-'Asifah but also other radical groups might organize terrorist attacks on targets in Austria. At any rate Austrian security authorities have ordered a particularly rigorous watch of the most important premises and institutions named on the list.

CSO: 3103/175

POLICE SUCCESSES AGAINST ETA PROBABLY DELAY RENEWED ACTIVISM

Madrid EL PAIS in Spanish 29 Nov 81 p 19

[Article by Fermin Goni: "Police Action Has Frustrated the Plans of the ETA-pm To Return to the Armed Struggle"]

[Text] Pamplona--The ETA-pm [Basque Fatherland and Liberty Group (political-military wing)] had planned to end the truce started on 28 February 1981 and to return to the armed struggle, according to an understanding approved by the organization's leadership at a meeting of its Biltzar Txipia /BT/ [executive committee], held in Hendaye (France) on 19 and 20 September 1981. However, the return to the armed struggle will not be possible right away because of the recent arrests made by the police in Guipuzcoa and Navarre Provinces involving important elements of the organization.

The Hendaye meeting, attended by all of the organization's leaders, saw two opposite stances: On the one hand to renounce the use of weapons, and on the other to return to the armed struggle as soon as possible. The discussions on the subject which lasted 2 days ended with the victory of the partisans of a renewed armed struggle after completion of an analysis about the situation in the Basque Country.

The reasons adduced by those advocating breaking the truce begun in February 1981 were rooted in the Spanish Government's failure to fulfill its promise to release "polimilis" [members of the ETA-pm] and the imposition of lesser sanctions on those not involved in violent crimes, the impossibility of achieving amnesty for Basque prisoners and exiles, the inefficacy of the Basque Government, the threat of LOAPA [Organic Harmonization Law of the Autonomous Process], the gradual withdrawal of Navarre with respect to its possible integration into the Basque autonomous community, and so on. According to the ETA-pm's spokesmen, all these issues promoted a return to the armed struggle by the ETA-pm.

In the document drawn up by the ETA-pm on the Hendaye meeting it is mentioned that, regarding prisoners, negotiations had been carried out with the Spanish Government, negotiations which had been broken off for various reasons not made explicit in the said document. This assertion of the ETA-pm, which is roundly denied by the Spanish Government, is considered true by some police specializing in antiterrorist struggle, speaking on a personal basis.

The organic documentation on the Hendaye meeting, on the other hand, indicated that a return to armed action by the ETA-pm could be appraised in negative fashion by broad sectors of the population in the Basque Country and by the EE [Basque Left]. However, ETA-pm felt that the only way to obligate the Spanish Government to reconsider its stance relative to the Basque Country was to return once more to the path of the armed struggle.

With the purpose of carrying out this intention, the leader of the ETA-pm, Jose Maria Iza Unamuno, alias Manolo, made a trip from the French Basque Country to Pamplona where he was to reconstitute the organization's infrastructure. Iza, in charge of ETA-pm in Guipuzcoa and Navarre, traveled to the Basque Country as other leaders traveled to Madrid and Barcelona. ETA-pm planned for its immediate future to organize the necessary infrastructure that would enable it to carry out its initial move in the form of a kidnapping.

In this way the organization sought to improve the ETA-pm's finances, seriously depleted following several months of inactivity. Nevertheless, ETA-pm is considered by the police as the perpetrator of various attacks, for which no credit was claimed, in Guipuzcoa, Vizcaya, and Navarre Provinces. Specifically, the attack against a bank, which occurred at the end of August 1981 in Pamplona and which so far has not been reported in the press, was according to all indications carried out by the ETA-pm. The robbery on that occasion yielded 17 million pesetas.

However, the detention of Iza Unamuno in Pamplona the other day has disrupted all the plans of the ETA-pm. Iza, who was arrested together with two of his contacts, disclosed to the inspectors of the Regional Intelligence Brigade of the Higher Police Command in Pamplona part of the strategy drawn up by the ETA-pm and also provided during police questioning the names of other "polimilitares" who had planned to operate in Guipuzcoa. In this way the police could arrest in San Sebastian members of the commando unit which presumably assassinated the head of the UCD [Democratic Center Union] in Guipuzcoa, Juan de Dios Doval, a lawyer. In the same operation the Regional Intelligence Brigade of the Pamplona police found in the capital of Navarre Province three revolvers of various calibers, cash, important documents concerning the organization of the ETA-pm, identity cards, and materials for the falsification of the DNI [National Identity Document].

The police likewise found in Manresa (Barcelona) a case concealing an M-16 assault rifle, 50 kilograms of explosives, license plates, hand grenades, as well as documentation and information regarding different individuals. The arrest of Iza Unamuno by inspectors of the Regional Intelligence Brigade allows one to assume that for the time being the plans of the ETA-pm to return to the armed struggle have been frustrated.

Arms From France

According to information obtained by EL PAIS, the Spanish police have well-founded suspicions to believe that the robbery perpetrated on 22 November 1981 at the arsenal of the Chauzel military camp in France was the work of the ETA-pm. In a strike which the French police themselves considered impeccable, seven armed men penetrated the facilities of the Chauzel military camp located close to Foix, 67 km from France's border with Andorra, and after neutralizing 10 soldiers

seized weapons which they placed in a pickup truck in which they fled. The stolen weapons were four heavy 12.7-gauge machineguns with six spare muzzles and 150 MAT-49 9-millimeter gauge Parabellum submachineguns.

These weapons which, according to the French authorities, were new since they lacked firing pins can be rendered operational by an expert familiar with weapons technology. In the case of ETA-pm, experts in the field suspect that the weapons stolen in France can be used for resale on the weapons blackmarket in which not only European, African, and Latin American terrorist groups are active but also professional toughs or Mafiosi. There is also the fact that the theft occurred at a location only a few kilometers from Andorra, a country where the two branches of the ETA have kept their activists hidden for long periods of time.

However, this has not been the only arms theft that has occurred in France. According to information secured by EL PAIS, in the first half of this month another robbery took place at some military installations close to Bayonne where a group of individuals who carried out their strike with perfect synchronization reaped seven submachineguns. This action is considered to be the doing of the ETA-pm by experts in the antiterrorist struggle. The theft of these weapons, an event not disclosed even by the French police, points to the ETA-pm.

Before the conclusion of the current year, there is every probability that the ETA-pm will call a meeting of its leading cadres to study again its return to the armed struggle. However, at this juncture, on the basis of information obtained by this newspaper, there is a faction which advocates the immediate dissolution of the organization seeing that the faction considers the armed struggle to be an inappropriate way to solve the problems of the Basque Country at this time.

This faction is counterbalanced by another wing of the organization's executive which, following the deaths of outstanding "polimilis" in Guipuzcoa and Navarre, favors reinitiating the armed struggle immediately. However, the ETA-pm runs into an initial important hitch considering that its infrastructure has been nearly decimated thanks to the efforts of the police, a fact that would oblige the leaders of the ETA themselves to participate directly in any actions they might decide upon.

2662

CSO: 3110/43

ATOMIC ENERGY PLANT, ENERGY FUTURE DISCUSSED

Athens AKROPOLIS in Greek 21 Nov 81 p 7

[Article: "We Will First 'Consume' the Lignite and then We Will Build the Nuclear Plant; Its Construction Is Expected in 10 Years, if Plans Do Not Change; Why Have Developments Taken This Turn?]

[Text] The construction of the nuclear power plant, on the basis of the program approved by the New Democracy government, has not been cancelled but postponed because the rate of increase of power consumption is expected to be lower than before. Therefore, the nuclear plant will be of use to us in the post-1990 period. The DEI [Public Power Corporation] program relates to the 1981, 1985, 1990 period and is based on a study on the more profitable solutions. Certain parties have maintained that the nuclear plant was withdrawn from the program because of noted opposition to it, but this is not accurate. Also, this same reasoning ought to be attributed to the fact that a plant operating on coal imported from abroad was not included in the program.

The expected rate of increase of consumption, together with the policy of more intensive use of lignite until its reserves have been exhausted, makes the construction of a nuclear power plant and coal burning plants unnecessary until the end of the decade. At the same time, this solution is also the more economical. Electric power from this source will also be cheaper than that produced by the nuclear plant.

Two questions are raised: One, does it behoove us to remain behind as compared to other countries and especially our neighbors regarding the construction of nuclear power plants, and two, would it be preferable to leave some lignite for future years also so that the country's dependence on future energy needs would not be 100 percent on foreign countries or to leave lignite for other uses.

The answers to these questions, as provided by the studies experts, are as follows: The agreement with Italy makes up for the need of a nuclear plant, but only up to a certain point. Greek technicians also will be assigned to work there and will therefore follow developments in the field. The agreement provides for the construction of a nuclear plant in the southeastern section of Italy which will have Greek hydroelectric plants as peak units.

Controls

To the question as to what extent our neighbors with their existing nuclear plants (Yugoslavia and Bulgaria) or those planned (Turkey) would have been able either to have already built an atomic bomb or be able to build one in the future, at which time we would be in a very difficult position, the answer is: The fuel used in these plants is so strictly controlled that it would be impossible for it to be used in any way other than for what it was intended. It would be an arbitrary act which would become known, the sources of supply would be cut off and concerned parties would take the necessary measures. Bulgaria, in fact, is precluded from building its own atomic bomb so long as it has the Soviet Union behind it. Yugoslavia's and Turkey's action would at once be noticed. The most important, however, is that even without a nuclear plant there are certain combinations which today permit a country to build an atomic bomb. An example is Israel which does not have a nuclear power plant and which nevertheless, according to published reports, has atomic bombs in its possession. Whether or not this is true cannot be verified, although it is true an atomic bomb can be made without an atomic power plant. In fact, in this case its possession can be kept secret, whereas with a nuclear plant it would become known since its fuel is controlled by the supplier country. There are therefore other solutions for the atomic bomb if any given country wants to build it.

The second part of the question as to whether it behooves us to exhaust lignite deposits, the argument is that this solution would be preferable to having part of it conserved when the use now of petroleum and coal or the construction of a nuclear power plant before the end of the 1980's would become necessary. Our lignite is needed also for the production of electric power as well as for other purposes. But there is not enough for both. If it is to be used in the chemical industry, then the DEI would have to bring in petroleum for its plants.

Large Deposits

It should be stressed that the DEI is limiting its interest to the large lignite deposits because the exploitation of the smaller ones would be unprofitable for production of electric power.

Although the size of these smaller deposits is limited, they remain for other uses, as in the chemical industry (fertilizers, etc.), in meeting the fuel needs of the regions in which they are found, etc. However, with the exclusive use of lignite for production of electric power, in 50 years we would be completely dependent on foreign sources for our energy needs. The answer is that at that time we would be economically stronger and that therefore this dependence would be a lesser evil from today's partial dependence. A good example in this case is Japan which is wholly dependent on foreign sources for its energy needs but is one of the economically strongest of countries.

Of course, there is a rebuttal to this argument: the disciplined work and life of the Japanese versus the inconsiderate waste of resources by the Greeks, etc. The cost of electric power production from petroleum sources is higher than production from lignite sources. If, in the meantime, petroleum is discovered, then it would be more profitable to sell it instead of burning it for electric power production. This therefore would be done.

The use of coal in this decade must not be altogether precluded because a 200-MW plant may be constructed in Aliverion. The reason is that the region where the present plant are located must be maintained as an energy center with its favorable location in relation to the capital. The existing infrastructure and personnel should be developed and the DEI should familiarize itself with the purchase of anthracite from abroad. Coal will be used later on to a larger extent. This DEI program, of course, is in force on the presupposition that it will not be revised by the PASOK government. Moreover, when it was in the government opposition the party now in power supported the intensive exploitation of lignite without, of course, having made an in-depth study of the matter so as to come to a sure conclusion.

5671

CSO: 4621/78

KREISKY ON BUDGET DEFICIT, UNEMPLOYMENT

AU302015 Vienna Domestic Service in German 1100 GMT 30 Dec 81

[Interview with Austrian Chancellor Bruno Kreisky by Rudolf Nargiller and Johannes Fischer, date and place not specified--recorded]

[Text] [Question] Mr Chancellor, a few years ago your statement that you prefer debts of so and so many billion schillings to unemployment became famous. I do not recall how many billion schillings it was...

[Answer] No, this is very simple. I said that I prefer debts of a few billion schillings to several hundred thousand jobless people.

[Question] This certainly is still applicable, I assume?

[Answer] Yes, this is still valid. It has stood the test.

[Question] But can such a thing still be implemented today, with the coffers empty and with high indebtedness?

[Answer] It has become evident in the meantime that this policy was more correct than we perhaps thought it would be. Those countries which have pursued a different policy in the meantime have accumulated much higher debts, a greater extent of indebtedness than we; they have much larger deficits. In addition, they have hundreds of thousands of jobless. If you look at what deficits the small states located west of our country have, for example, Denmark, Sweden, Belgium or Holland, then our budgetary policy is almost ideal, compared with those countries.

[Question] Your policy was correct in 1974-75. But your finance minister, for example, now does not uphold the view that this policy of 1974-75 could be, so to speak, now repeated, that such an incentive could be imparted to the economy once more, with the empty coffers, in order to give the economy a shot in the arm. Is it not a great problem that the coffers are now exhausted, that basically one must now...

[Answer] This is not the case. The coffers are not exhausted at all. All in all we have the same material possibilities today that we had at that time. I believe that we are quite capable of...that we still have elbowroom which can be used.

[Question] This means quite specifically that you would also put up with a deficit increase if necessary?

[Answer] Such a thing must be considered if it comes to the worst. Yes, as things do, that is beyond question, in order to overcome unemployment, because the problem is that if we have unemployment we must consider even so a deficit increase. Because unemployment compensation must be paid from some source.

[Question] Up to what figure would you go?

[Answer] I do not want to prejudice the finance minister, but in any case we know precisely that this is possible.

[Question] Could you, for example, also sleep peacefully with a hundred billion deficit?

[Answer] Theoretically, the problem only is whether it is possible to finance a hundred billion deficit, whether it is possible to find the money. It has to be paid, after all. That is the only question. And this evidently is where the borderline starts, where we begin to think that we cannot raise the money. But I think that things cannot be viewed this way.

[Question] The finance minister, the minister of social administration and you yourself, Mr Chancellor, are....

[Answer] To say things specifically: If tomorrow there would be a chance for us to borrow a few billion somewhere to use for productive, reasonable purposes to fight unemployment, I would be for it.

[Question] Of course, the money can be obtained. It is possible to borrow abroad....

[Answer] Without even the smallest difficulties. Austria is a very good debtor, now as ever.

[Question] Could you, after all, give a figure up to which one could go?

[Answer] No, I do not name it because I believe that we have not yet reached that ceiling. We will not reach it even if the crisis should further exacerbate. If it should become evident that a turn in the world economy is occurring, this ceiling could be placed all the lower because the economy must not be deprived of these chances. If nobody claims that money, however, the state must do so.

[Question] Is it possible to say that if the situation substantially exacerbates, considerable amounts can be added, that the deficit can be considerably increased?

[Answer] There is no other way but this one, yes. As it turns out today it still is cheaper than to put up with the hopeless unemployment of half a million people in Belgium--a situation nobody knows how to cope with.

RISE IN COST OF LIVING ALLOWANCE ANTICIPATED

Nicosia CYPRUS MAIL in English 13 Dec 81 p 1

[Text]

THE cost of living index rose by 2.38 points last month to a new high of 160.67 points, raising speculation that the cost of living index allowance as from January next may be even higher than the 9 per cent as originally estimated.

The index, compiled by the Statistics and Research Department, showed that the index moved from 158.29 points in October to 160.67 in November.

This is actually higher than the rise of November 1980 when there was an increase of only 0.92 points, from 143.51 in October to 144.49 points in November.

The cost of living allowance is adjusted every six months, on January 1 and July 1 based on the average for the previous half-year.

If the increase is maintained in December, then the new cost of living allowance will be by 12 per cent raising the present allowance from 45 per cent to 57 per cent but if there is no increase the allowance would be in the scale of 9 per cent or total 54 per cent.

Revision

Government and the employers have been suggesting revision of the way the cost of living allowance is calculated and, more particularly,

proposed to remove petrol prices from the index.

But the trade unions have strongly reacted against such proposals and have called instead for strict control of prices, conceding that wage demands will be kept within the bounds of productivity growth.

The Economic Advisory Committee is meeting next Friday under Minister of Finance Mr Afentou to consider the question of pay in relation to government needs and taxation policies.

The decisions to be taken at the Advisory Committee, on which government, employers and employees unions are represented, will be of far-reaching importance.

They will affect the course of negotiations for the renewal of over a hundred collective agreements in which rates of increase are already determined.

The government and employers point out that the cost of living allowance takes care of any inflationary tendencies and that increases must therefore be kept within the limits of productivity growth.

RAW MATERIALS IMPORT, INVESTMENT IN THIRD WORLD VIEWED

Bonn EUROPA-ARCHIV in German 25 Nov 81 pp 679-688

[Article by Dr Detlev Radke, Deutsches Institut Fuer Entwicklungspolitik [German Institute for Political Development], Berlin: "Ensuring the Supply of Raw Materials in the FRG"]

[Text] The supply of mineral raw materials to the German economy during the 1970s was not beset by any basic problems. There were neither any major interruptions in deliveries large enough to constitute a threat to the growth of the economy nor were there any additional cost burdens resulting from actual increases of raw material prices. On the contrary, the revaluation of the German mark resulted in the fact that metals had never been as cheap relative to industrial products as they were at the end of the 1970s.

This favorable situation cannot obscure the fact that there has been an increase in the supply risks for the FRG, not only for short-term delivery failures but also for longer term shortages of a variety of raw materials. This is essentially the result of the politicization of international raw material relationships as they could be observed during the past decade; of the continuing internal political instability of many raw material producing countries; and of the more unfavorable conditions for exploration of mineral deposits from the geologic as well as the economic standpoint.¹

These developments are of vital significance to the FRG, whose supply of mineral raw materials depends to a decisive degree on the functional capabilities of the world's raw material markets. These developments are pushing the problem of supply dependability into the forefront of national raw materials policy.

Development of the International Raw Material Situation

The failure of the Havana Charter in 1945 spelled the end of efforts to effect a new order of international raw materials agreements.² Structures which had developed over a period of several decades continued unchanged. They had been the result of domination by American mining companies which were unopposed in pursuing and extensively determining the exploration, mining, marketing and processing of raw materials.

This situation became unsteady during the second half of the 1960s and more so during the 1970s. The developing countries cancelled the existing raw materials agreements. They demanded that the international mining companies give them a greater measure of control and supervision authority in exploiting their national deposits and promoted new world raw materials conventions to becoming the central theme of the North-South dialogue.

From the beginning the FRG Government was skeptical toward all efforts which would result in a change of the status quo of existing policy. There was good reason for this attitude. Existing conventions were almost ideal for German raw materials interests. The international mining companies had proven themselves to be reliable partners as to their capability and readiness to make deliveries. The FRG, which itself does not have mining companies of comparable size, was able at any time to fill its needs of raw materials on the world raw materials markets and could thereby exercise its purchasing power in its capacity as one of the world's largest raw materials consumer.

Increasing political pressure by the developing countries and the increasing instability of the international raw materials economy from the standpoint of future relationships in the international raw materials trade caused the FRG Government to develop an extensive raw materials strategy designed to satisfy German supply interests. This strategy, which became well defined during the second half of the 1970s, is aiming for a reduction in dependency upon imports through more intensive utilization of the domestic raw materials potential and conservation measures in the use of mineral resources; but especially for greater security in raw material imports.³

In the multilateral sector the FRG Government pursued the objective of keeping the international raw materials markets free of administrative regulations which would impair the market-price mechanism. The primary effort was devoted to avoiding regulations which could have resulted in initiating an additional transfer of resources from raw materials consumer countries to raw materials producing countries. In parallel with international negotiations, the FRG Government worked for closer relationships with the developing countries on a regional and bilateral basis. This procedure was based on the opinion that there would be a better chance for arriving at raw materials policy agreements with individual developing countries than through committees of the United Nations.

In the regional sector, the European Community's cooperation policy provided a promising starting point. The agreements with the AKP and ASEAN states are worthy of mention, but also the efforts to reach agreement with the Andes Pact countries. Even though these cooperation agreements by the European Community do not provide a contractual supply stability, the mere introduction of European raw materials interests into the overall network of cooperative relationships results in a greater measure of supply reliability. On the bilateral and national level, the FRG Government additionally increased its efforts to provide for German raw materials enterprises optimum conditions for their direct investments in foreign countries. A few examples in this category are the signing of bilateral capital protection agreements, further development of the guarantee mechanism in view of specific conditions existing in mining in foreign countries and a draft of a national law for the preliminary regulation of off-shore mining.

Differences of opinion over the reorganization of the international raw materials conventions will continue into the 1980s. But for several reasons they are likely to be less acrimonious. There was a time when the developing countries were able to get their way, fully or partly, by making a variety of demands. Thus for example the raw materials producing countries' sovereignty over their natural resources is today an incontestable norm of international law. The power play between raw material producing countries and international mining companies has been largely decided in favor of the raw material producing countries. The wave of nationalization has run its course and the problem of "creeping nationalization" has been largely moderated in view of today's predominant, more balanced and therefore more stable project agreements. Finally, the expansion of systems for stabilizing raw materials export earnings constitutes great progress. Secondly, all participants have realized, after engaging in controversy for many years, that certain demands, such as the integrated raw materials program, cannot be implemented, either because they do not make economic sense or because they do not find sufficient political support. Thirdly, it appears certain that the entire range of subjects of the North-South dialogue will move on to a different set of problems during the 1980s.

It is irrelevant to determine whether or not the world raw materials situation existing at the start of the 1980s, compared with that of the 1950s and 1960s, can be termed a new world raw materials situation. The decisive factor is that during the last decade considerable changes have taken place in the relationships between raw materials producers and consumers. Even though some individual countries and mining companies still experience some difficulty in recognizing the newly developed realities, there can hardly be any doubt that international raw materials relationships are much more stable today than they were 10 years ago.

Insofar as the FRG's supply risks of the past had a casual relationship with the instability of raw materials policy conditions, a relaxation of the situation is recognizable for the above cited reasons.

Apart from a few exceptions, the basic discussion phase on the multilateral level has been concluded. Ex post facto we can only pose the question as to whether the FRG Government could have made a more constructive contribution to the North-South dialogue 10 years ago if it had then taken the positions which it takes today.

The use of regional cooperation agreements as defensive strategy against changes in world economic conditions loses validity to the extent that there is a relaxation on the multilateral level in the relationships between industrialized and developing nations on the basis of sound compromises. The raw materials policy factor of such agreements may therefore be of lesser importance during the 1980s than it had been in the last decade. Nevertheless, regional cooperative policy should be maintained for the sake of raw materials policy. For one thing, we cannot be certain that conflicts concerning a reform of world raw materials conventions will not recur. Besides, supply risks can arise from other sets of problems, especially the internal political instability of many raw materials countries and regions. Situations are conceivable in which close and contractually secure cooperative relationships could prove advantageous for the European Community.

Regarding the national or bilateral level, we cannot recognize any reasons for further extending the national support mechanism, at least within the context under

discussion here. This is especially true for providing risk capital from budgetary resources, governmental involvement in specific raw materials projects, increased linkage of development aid with private raw materials investments, or even for government involvement such as "Japan, Inc." In this context it is especially desirable that the FRG's raw materials policies for the 1980s not be conducted with retrospect to the turbulent 1970s.

Insurance Against Factors of Political Instability

Internal political instability of many raw materials countries and the constantly recurring temptation to use raw materials as leverage to attain foreign political and economic objectives represent a constant danger to the German raw materials supply. It must be met with foreign policy resources, improved reserves and/or a more pronounced regional diversification of sources of supply.

Foreign Policy Insurance

The FRG Government has very limited possibilities for intervening in internal political crises or regional conflicts. It could possibly offer its services as an intermediary in crisis prevention or crisis management. But it does not have options for direct intervention as they exist for France, for example, on the basis of historical ties with a part of the Third World. The deployment of the Bundeswehr especially--even in the role of a NATO intervention reserve force--would represent neither a politically valid option nor one promising success. The only possibility of influencing developments in a crisis area is a foreign policy which has been agreed upon within the framework of European political cooperation and implemented by the member states of the European Community.

The greatest danger to the supply of the FRG with mineral raw materials which is discernible today is the tension existing in southern Africa. A longterm civil war in that region would lead to chaotic conditions on many raw materials markets. This would primarily include the raw materials platinum, vanadium, chrome, manganese and gold. While European initiatives were not the least of the factors responsible for an essentially peaceful transfer of power in Zimbabwe; it is entirely uncertain whether similar solutions are possible for Namibia and the Republic of South Africa. An active South Africa policy by the FRG, aiming toward peaceful solutions of conflicts in conjunction with the member states of the European Community is therefore of particular importance from the standpoint of raw materials policy.

If the equilibrium of raw materials markets is disturbed by government interventions, this can in many cases be remedied only through a commensurate political counter-pressure. Canada for example agreed only after massive protests by the European Community to lift the uranium boycott against Euratom. At the economic summit meetings in Bonn and Venice, Canada and the United States pledged themselves to continue making dependable deliveries of nuclear fuels to their European allies.

National Reserve Stocks

The most effective defense against short or medium term interruptions in the supply of raw materials is the maintenance of an extensive national reserve. This is the reason why the United States, for example, wants to accumulate reserves of all

strategic raw materials which should enable them, in conjunction with their own production potential, to survive for 3 years without restrictions in their use. For an intermediate sized power like the FRG the question of reserve stocks looks different. The primary issue here is not national independence, but rather economic considerations. All recognizable political and raw material connected risks must be determined for all raw materials for a foreseeable period of time. These data must then be weighted with the negative income and employment effects of a hypothetical delivery failure. Taking cost into consideration, the decision must then be made as to which raw materials are to be stocked to provide for what period of time.

A plan for a national raw materials reserve has been under discussion in the FRG since the fall of 1978. This plan aims at protecting the supply of mineral raw materials for the FRG against discernible risks stemming from political developments in southern Africa. It was proposed to create stocks of chromium, manganese, vanadium, cobalt and certain types of asbestos. The reserves were to be sufficient for 12 months, to include stocks held by private enterprise. After intensive negotiations between the FRG Government and the raw materials enterprises had resulted in agreement about storage procedures, cost sharing, priority use in case of crisis, etc a draft law was prepared between the raw materials reserve company to be established and the FRG Government in May 1980. However, during the coalition negotiations between the SPD and the FDP in the fall of 1980, the plan for a national reserve was dropped.

It is difficult to implement the sudden turnabout by the government ex post facto, particularly inasmuch as the financing of procurement costs amounting to DM 600-700 million had been basically provided for through refinancing aid by the German Bundesbank. The only item which remained unresolved to the end was the tax treatment of the reserve company to be founded. At the moment it is uncertain whether and in what form the plan for establishing a national reserve will come up again. The only thing certain is that the supply risks remain unchanged and that the FRG is insufficiently protected against interruptions of deliveries from southern Africa.

Improvements in the Structure of Regional Delivery

Raw material supply imperiled by natural catastrophes, strikes, internal political strife etc is always a sign of an excessive regional concentration of mining production or sources of supply. The FRG Government has therefore repeatedly spoken of the necessity for the widest possible spread of sources of supply.

However, a product-specific analysis shows that frequently geologic and economic limitations exist to a regional diversification of mining production. Many mineral raw materials for instance are found only in high geographic concentrations of deposits. The quality of the minerals and the cost of production are additional factors which can militate against the economic exploitation of new deposits. Determination must therefore be made for every individual raw material to what extent the German requirement structure is compatible with the postulate of the greatest possible regional diversification. A wide dispersal of sources of supply does not represent a priori a cheaper alternative for a national reserve.

The FRG Government is correct in stating that it would be in the best interest of the enterprises to achieve a wide regional spread of their sources of supply. It is nevertheless necessary to deal with the problem of the horizontal diversification of raw materials imports within the framework of the national raw materials policy, since production and economic risks are not always of the same magnitude. There is always a good case for governmental participation in the responsibility for a supply structure which takes cognizance of economic security requirements if national economic risks clearly outweigh the economic risks of the enterprise. So as to avoid misunderstandings we must state in advance that a governmental share of responsibility must not be interpreted to mean subsidies for regionally secure but otherwise uneconomic sources of supply. Nor should we believe that the cost--to include the cost of reliability of raw materials supply--should be borne by the raw materials consumer.

Government participation in the responsibility for a secure regional supply structure means primarily to provide new regional options to the raw materials enterprises through political means. Thus for instance raw materials policy cooperation with Poland became possible only because as a result of detente politics FRG foreign policy relationships with the CEMA countries underwent a qualitative change. Further, the incipient raw materials policy cooperation with the People's Republic of China and the economic exploitation of marine resources which is expected for the 1990s represent examples of how foreign policy can be used to gain latitude for greater horizontal diversification of sources of supply.

A second point of departure for considering regional preferences is offered by the existing raw materials policy support mechanism. For obvious reasons, it does not explicitly take cognizance of regional support criteria. Nevertheless the inter-ministerial raw materials committee has sufficient latitude for giving preference to raw materials projects in certain countries or regions. However, the prerequisite for bringing that kind of influence to bear is a great number of project proposals--a prerequisite which during the last few years has been somewhat limited.

Support for Exploration and Investment Activity

The German economy's requirements for mineral raw materials are covered almost exclusively on the basis of delivery contracts of various duration as well as by spot purchases. Only the iron and steel industry has a relatively high direct involvement in foreign mining operations. The German supply concept is therefore based on the presumption that other countries and mining companies are always engaged in sufficiently extensive exploration and investment activities.

This presumption has for the last few years been questioned raw materials policy discussions with the following arguments:

1. That in view of the high political risks of raw materials investments, there was a reduction in the readiness to invest on the part of the international mining companies, especially in developing countries;
2. That the great growth in world population, combined with the increasing industrialization of the Third World, was leading to demands on the mining industry which are surpassing its capacities;

3. That in view of quantum jumps in the cost of exploration and investment, shortages on the financial end must be expected.

The first of the above arguments is the least convincing one. The historical process of distributing supervising and taxation roles between raw materials countries and mining companies is fairly well completed and should not produce any major problems in the future.

Judgment of the population growth from the aspect of mobilizing additional exploration and investment resources can be made from two entirely different viewpoints: a normative requirement concept and a demand concept. The normative requirement concept poses the question how much raw material must be produced for example in the year 2000, to supply a world population of about 6 billion people which is expected for that time. Even assuming that the average per capita raw materials consumption will only be half as great as today's per capita consumption in the industrialized nations, this would impose requirements upon the international mining industry which would exceed the framework of all possibilities known today. The shortfall in supplying the world economy with mineral raw materials which threatens according to the requirement concept is transformed into almost the exact opposite if future mining productivity is determined according to the demand concept. Here the point of departure is not a normatively determined supply level, but rather the forecast growth rate of the GNP. That part of the world population which has not purchasing power is now considered.

To date many arguments have been advanced against the requirement concept which was first used in the Club of Rome's world model. As justifiable as these arguments may be individually, they do not provide a final solution of the problem. Rather, they have served to obscure the central question, namely, whether in view of the available global resources it is at all conceivable to provide an "exploding" world population a development status which to date has been attained by only a small part of the world's population.

Costs of exploration and investment have during the last few years increased due to a series of factors to an extent that even within the frame of reference of the demand concept they must be classified as risk factors for future raw materials supplies.⁴ There is no unequivocal answer to the question whether increasing risks and costs are for the long term overtaxing the financing capabilities of the private sector and possibly even the interests of private sector financing. In any case the risks engendered by these developments must not be overlooked.

Maintenance of a sufficiently high investment level in the area of exploration and deposit prospecting is primarily a question of mobilizing risk capital and not so much a problem of the availability of outside resources. For governmental raw materials policy the question arises therefore whether and to what extent beyond present contributions public funds should be made available in support of private mining interests. Numerous proposals which have been advanced in this area during the last few years at the national and the international level always involve, directly or implicitly, the following three variants:

1. Providing risk capital from public funds;

2. Providing government guarantees for political and economic risks;
3. Providing loans for use as quasi-private funds or on easy terms.

The FRG Government has for a long time used all three elements as tools. The German Society for Economic Cooperation (DEG) was provided with risk capital with instructions to become active in the raw materials area in the future. The most important instrument of German raw materials security policy, unrestricted financial credit, provides primarily for the assumption of political and economic risks. Conditionally repayable loans from the exploration support program represent loans for use as quasi-private capital. Credits on easy terms have for many years (though to a limited extent) been made available to developing countries within the framework of financial cooperation.

At this moment it would not make sense to further augment the resources for supporting foreign investments by German raw materials enterprises, except for minor improvements. For one thing, the national support mechanism has been improved several times during the 1970s with respect to specific needs in foreign mining operations. Secondly, existing financial resources have not been fully utilized as a rule in past years. This especially shows that within the present structure and capabilities of German raw materials enterprises there are strict limits to an expansion of foreign activities which would be desirable for security purposes. An increase in financial support is therefore not automatically a contribution to increased supply reliability, but could possibly amount to an unjustifiable subsidy to the enterprise concerned.

On the other hand, the possibilities for improving multilateral financing mechanisms have not been fully utilized. Their strengthening should be a basic objective of German raw materials policy. Several attempts have been made in this direction in the past, especially directed toward better exploitation of the raw materials potential of the developing countries. Worthy of mention in this connection are the proposals for establishing a multilateral guarantee fund; an international resource bank; a "third window" of the Joint Fund; and for augmenting the activity of the UN Revolving Fund for Natural Resources. None of these proposals has been the subject of serious negotiations to date, even though this would be a means of obviating the increasing regional concentration of exploration and investment expenditures by international mining companies.

Limits of Governmental Raw Materials Policy

Changing raw materials policy conditions, continuously high political instability factors and discernible limits of private sector capabilities require increased governmental action--in the sense of a more or less formal division of labor between the private and the public sector. Under present conditions, governmental raw materials policy must be conducted in all relevant political areas, on different levels, with differentiated temporal perspectives and with a variegated set of tools. The primary objective is the creation of a condition of "secure" dependency. This can be accomplished through foreign policy means, through active participation in efforts to reform international raw materials conventions, an improvement in the purchasing structure, or through general measures promoting supply, perhaps within the framework of technological and financial cooperation with developing countries.

These externally directed measures should be complemented by an internally oriented policy of a reduction in dependence on imports. The following points of departure are available: an expansion of the national raw materials base; economy in the use of raw materials by conservation and recycling; and an improvement in reserves, especially of those raw materials which are liable to shortfalls.

Even a comprehensive, financially large-scale system of governmental raw materials security policy could not guarantee total security for the FRG as to its supply of raw materials. We must remain aware of three limiting factors in the government's raw materials policy.

Firstly, the FRG's influence upon international conditions and development tendencies is small. The evolution of the North-South dialogue has shown that that even large raw materials consumer countries cannot prevent certain developments from taking place. Secondly, the FRG Government has limits in its relationship with private raw materials enterprises. It can neither rectify existing structural deficiencies of the German raw materials economy for the short or intermediate term, nor is it permitted by the existing economic constitution to intervene directly in the decision-making process of the enterprises. It is the latter's exclusive prerogative to determine whether and to what extent they wish to take advantage of governmental support mechanisms. Finally, the third limitation must be determined by the state itself. Not only the FRG government, but especially the raw materials enterprises must fact up to changed conditions in exploration, exploitation, marketing and re-processing. Experience shows that premature participation by the government reduces the enterprises' flexibility and thereby imperils its own supply security.

FOOTNOTES

1. See also the minutes of the discussion of the specialists' session of the Raw Material Policy Panel of the BDI: "Raw Materials Supply Policy--Objectives and Tools," Cologne, 20 May 1981, p 60 et seq.
2. Special attention is drawn to the proposals by J. M. Keynes, The International Control of Raw Materials, reproduced in: JOURNAL OF INTERNATIONAL ECONOMICS, 4 (1974), p 299 et seq.
3. The first comprehensive concept of a German raw materials security policy is the "Report on Raw Materials Policy," published by FRG Ministry for Economy, Bonn 1976.
4. FRG Ministry for Economy, Report on the Supply of Mineral Raw Materials for the FRG, Report Series 30, Bonn 1980, p 6.

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CSO: 3103/145

DELORS INTERVIEWED, SEES ECONOMIC CLIMATE IMPROVING

Paris LE FIGARO MAGAZINE in French 28 Nov 81 pp 112-115

[Interview with Cabinet Minister Jacques Delors, by Christine Clerc, aboard a plane flying from Villacoublay to Brussels, date not given]

[Text] [Question] I take it you have seen the papers, Mr Minister? Employers are not very optimistic. "Dame Confidence," signs of whose return you claimed the other night on Antenna 2 to have glimpsed, would seem to be as elusive as ever.

(Villacoublay Airport, Tuesday 1130 hours. Jacques Delors settles comfortably into the seat of the Mystere-20 which is to take us to Brussels, buckles his seatbelt over his striped flannel jacket and his Bordeaux pullover (with matching shoes) and shoots me a glance with his extremely frank blue eyes.)

[Answer] Well, you know, business and industrial leaders, like all Frenchmen, love to scare themselves. They love to tell each other fairy tales. As for myself, I prefer to stick with the figures. And all the figures are telling me that there is indeed a recovery in economic activity. (He pulls out his files onto the little table between us.) I do not want to play "who has the best statistics?," but look. (He takes out the charts from INSEE [National Institute of Statistics and Economic Studies], Bank of France, Rexeco, Bipe, etc.) In October, store purchases were up 4.3 percent from September, which is an exceptional figure. Reserve stocks are down. Intended orders are up. Imports are up 5 percent in volume. In only 9 months the total of big contracts made abroad is equal to the figure for the whole year of 1980. All these positive elements are spurring on the already tangible recovery of production.

Our Industry Has Not Invested Heavily in Several Years

[Question] Meanwhile, the recovery in consumption levels has resulted in an increase in imports. Foreign firms are biting off 27 percent of the automobile market, and that is a record!

[Answer] Hold on! One cannot turn the whole situation around in only a few months. Part of the legacy we inherited was the loss of part of the domestic market. The basic reason: Our industry had not invested enough for several years. But remember what people were saying in February: If Mitterrand is elected, we will have 18 to 20 percent inflation and waves of strikes and demonstrations. Now we will end the year like we began it, with 14 percent inflation and France at work, without great social conflict.

[Question] And the 2 million unemployed?

[Answer] If we had not taken the measures we took--spurring consumption, launching a 120,000-unit housing program, loans given to businesses and industries, etc--there would have been 150,000 more. I would like to see what Valéry Giscard d'Estaing would have done if he had been reelected!

[Question] We agree there is a French minirecovery. How could it last if there were no recovery in Europe and the United States and if the political climate continued to deteriorate?

[Answer] The situation in Germany is not as bad as people say, and the United States is such a gigantic country, so varied, that even if there is a recession in one place, there will be growth somewhere else, in California for example. As for the political climate in France, the National Assembly has its sudden bouts of fever, true enough, but it has had many before. That does not bring France to a halt. I would very much like the press to say less about "big talkers of every kind" and a little more about the France that is at work. Foreigners see this and have confidence. The proof: American investments are coming back. One must admit we took pains to bring that about. In July I together with the Americans created a working group on French investments in the United States and American investments in France to examine what is working and what is not. As a result we authorized Elf and Rhone-Poulenc to get involved in the United States and did all I could to persuade Ford to expand its Bordeaux installation.

(Raymond Barre, with whom I will lunch on the following day, will have this to say on that subject: "Ford? That comes out of personal friendship for Chaban-Delmas. As for Hewlett Packard, we had been working on the case for 8 months...." But nothing seems to dampen Jacques Delors's optimism.)

[Question] In a word, are you really happy now as a minister? It has been some time since there was talk of your resignation. There is more talk of your moving up.

[Answer] The truth is that to the right I am a spoilsport. It would be delighted to see me resign. It would prefer a frank radicalization of the government, which would enable it to be unravelled with ease and bring about the strangling of the economy. For that is our biggest threat. And therefore this explains the exceptional importance of the steps we will be implementing to support the efforts of the entrepreneurs.

[Question] Is not this radicalization well underway?

[Answer] No, I find the climate better now than a month ago.

[Question] But what threats! Not more than a week ago Pierre Mauroy warned employers that he would take "harsher" measures if they did not start hiring.

[Answer] The prime minister has been misunderstood, even though he has had many, many contacts with heads of business and industry, precisely in order to understand them better, but also in order to point out to them--as it is our duty--what is at stake in terms of the future and control of investment.

[Question] And what about the heads rolling?

[Answer] Fantasies! Is it illogical to appoint some new officials in the administration? Within the Ministry of Economy and Finance, in any case, I have not changed a single director. But nobody speaks of that.

[Question] All the same, it is perhaps fairly easy to just repeat, "I never did that, I never said that." Whether you like it or not, you maintain solidarity within the PS [Socialist Party] and the government. And, too, you are forgetting the Moussa affair.

[Question] The Paribas affair is a very unfortunate exception. I sometimes wonder if it was not put out by people on the right at a particularly well-chosen moment in order to create difficulties for me with the government.

[Question] One wonders who is telling fairy tales now! One also wonders if you were misjudged in being called a moderate socialist. For even if it pains you a little--it is always blamed on your Catholic sympathies--you will end up by going up the garden path every time, as you have already gone along with the nationalizations and the increase in the contribution businesses and industries must make to the welfare funds.

[Answer] You are mistaken. In politics, one must always swallow some things one does not like, but I defend my position and more often than not I prevail: the companion measures to monetary realignment; the provisions of the tax on wealth; the integrated financing of all state insurance expenditures, in an effort at solidarity in which all parties concerned participated.

French Capitalism Was Artificial Capitalism

[Question] Are there limits you have set, beyond which you will refuse to go? Measures that you cannot possibly accept?

[Answer] Certainly. I am for evolution, not for revolution. For me some things are so basic that one must be intransigent about them: pluralism, faith in the men and women who are eager to assume their responsibilities in full respect for the direction the nation has chosen, the implementation of decentralization, the only antidote to the mixture of laissez-faire and planning that characterized the previous presidency.

(We begin the descent toward Brussels. Jacques Delors is cheerful. The former European deputy likes to get back to the atmosphere of the Council of Ministers of the Ten. "What gets me excited," he told me one day, "is European affairs, cooperation with the Third World, the strengthening of our industrial network." Only one regret: he will not have the time to stroll around the streets as before in Brussels. He gives me a few good addresses: for lunch, an Italian bistro, "Au Pou Qui Tousse," that has excellent little Sardinian wines. For shopping, Avenue Louise. And for antiques, Place des Sablons, where I will also find a marvelous store selling Davidoff cigars.

"Do you realize your arrogance?" I told him. "I could publish an article in LE FIGARO MAGAZINE: How to spend a lot of money in Brussels, by the Socialist minister for economic affairs?"

He laughs.

"Lord help us if we cannot have a little fun! LE CANARD ENCHAINE always says I am a sad minister."

1630 hours. On the fifth floor of the Charlemagne Building, Jacques Delors regretfully says his farewells to his European colleagues with whom he has been discussing coordination of welfare benefits and preparing for the summit meeting Thursday in London.

1800 hours. In the airplane returning to France, I tell about my lunch at "Au Pou Qui Tousse." While enjoying the minestrone, I reread a book entitled "To Change," written by the former adviser to Jacques Chaban-Delmas, in 1975 while he was out in the [political] wilderness.

"So," Jacques Delors shot back at me, "you can see perfectly well that I have not changed!")

[Question] This is true. We can already see your ideas about the reduction of inequalities at work. Ideas that the readers of LE FIGARO MAGAZINE find difficult to understand. They do not accept the fact that you deny the right of people who started with nothing and worked hard to scramble up the ladder to have both profitable employment and a comfortable life.

[Answer] Not at all. I only say that it is normal, in such a case, for people to pay more taxes. I am also paying them. It is not the end of the world! Everyone should be able to prosper in society as I conceive it, but everyone must contribute to the national effort, in accordance with his means.

[Question] On the other hand, in this book, you barely mention nationalizations. What justification, a posteriori, have you found for them?

[Answer] But I do! I speak about them and even prescribe the principles and conditions for accomplishing them successfully. The nationalizations are the means of avoiding the internationalization of our businesses and industries and making our industry more competitive. In any case, French capitalism was an artificial capitalism. France itself has always had to pay for its private enterprises. Only this was not talked about. In fact there was an overlap that was shocking in a democracy.

(A steward in white jacket serves us drinks. We talk about the France of the third industrial revolution, as Jacques Delors calls it. He sees it as very decentralized, with a great deal of initiative, more flexible, everyone being able to schedule his own work time, leisure pursuits and other activities better--in short, forms of self-management at work and also off the job. The new technologies would make this broad diffusion of activities possible, within small units. "But," he insists, "there should be no retreat from the work ethic. On the contrary, the challenges of the

1980's require us to look for a new synthesis between the spirit of competition and the spirit of conviviality.")

Perhaps the Employers Would Like To Take a Rest

(1900 hours. In the middle of rush hour (the minister of economic affairs does not like to have a motorcycle escort clear the path in front of him), we get back to employer complaints. On the radio we hear Rene Bernasconi, the president of the CGPME [General Confederation of Small and Medium-Sized Enterprises] protest that his "outstretched hand is full of anger" and the new president of the CNPF [General Confederation of French Employers] maintaining that "when the storm hits, you have to lower your sails." Jacques Delors sighs: How can the employers' confidence be restored? Starting next month he himself is going to undertake a campaign aimed at business and industrial leaders, beginning with a tour of France. The first stop will be Alsace, on 7 December.)

I want to understand what is really happening, why they are not investing. I am told it is because of the socialists, but I cannot believe that. Raymond Barre, even now, is tearing his hair because the capitalists are not investing. After 35 years of tremendous efforts to modernize, change their management techniques, export--perhaps they are simply tired? Perhaps, as Francois Ceyrac would say, they would like to take a rest "in the shade of a thicket." Or perhaps they are afraid of growing foreign competition. Or perhaps proper financing is not available, or the welfare burden is too heavy, or there is too little capital available for risks.

I meet with many employers, when they call on me or in seminars. But that is not enough. I must go into the provinces to have concrete discussions with those who make up the combat battalions in the fight for economic prosperity, competitiveness and jobs. For everything ties together.

If the measures that I have taken are not good, I will correct them to respond to their real needs. If they are insufficient, I will amplify them.

[Question] But will you be given a hearing?

[Answer] I have good reasons to believe I will.

[Question] But the president of the Republic himself has said: "If I fail, there will be a radicalization."

[Answer] I do not believe that he will say that in his next televised speech. The head of state will talk to the heads of business and industry to explain clearly to them the rules of the game. I remind you: Our honor and our duty is to govern for the benefit of all the French people.

[Question] Would you leave the government if there were a radicalization?

[Answer] We have not come to that bridge yet.

9516

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PASOK POSITIONS ON EEC MEMBERSHIP ANALYZED

Athens OIKONOMIKOS TAKHYDROMOS in Greek No 46, 12 Nov 81 pp 23-26

[Article by T. S. Konstandinou]

[Text] Luxembourg--However curious or contradictory it may seem, apparently the PASOK administration will be able to accomplish what the New Democracy Party failed to accomplish: To impress Greece's presence on the European Community as a full, equal, and dynamic member! This is the conclusion which can be drawn from the maiden presence of the PASOK administration on the Council of Foreign Ministers of the Community, which had its session last week in Luxembourg with Deputy Minister of Foreign Affairs A. Fotilas as one of its members.

This phenomenon is certainly paradoxical when one reflects that the New Democracy Party led the country into the Community, whereas PASOK resisted this process. Nevertheless, because of its well-known shortcomings the New Democracy Party was not able to implement its European goals, to translate them into daily practice. Essentially it abandoned the cause of the "European Community" immediately after the signing of the Act of Accession. After all, the symbolic objective had been realized.

Thus it is PASOK which is beginning now to make the presence of our country known to the Community, PASOK which is starting to give material form to the phrase that Greece is a full and equal member--despite the proclamations to the contrary which it has made. In any case, it now seems certain that the new government is not going to withdraw the country from the Community but rather is going to conduct a renegotiation of certain arrangements in the Act of Accession, notably to make sure that our "vested interests" are not jeopardized (this matter will be handled by Deputy Minister G. Varfis, a man who has an in-depth knowledge of Community affairs and procedures). Apparently, appropriate Community figures were given this assurance by the deputy minister of foreign affairs during his visit to Luxembourg.

In any case, the PASOK government should ponder deeply over one fact which has been given considerable prominence by the Greek and international press: Greece (through the mouth of Deputy Minister Fotilas) blocked the sending of Community troops to the Sinai. Thus, a small country (Greece) managed to confound the policy of great powers such as France, Germany, and so forth. This fact certainly casts doubt on the assertion that a small country is unable

to influence political decisions within the framework of the Community. And for precisely this reason, that fact should engage the attention of the new government.

Notwithstanding this, the positions taken by the new government on some of the vital issues of the Community have been expressed by Deputy Minister Fotilas in the debate which was held in the Council of Ministers on the "mandate of 30 May" (Mandat--restructuring the budget, reformation of the Common Agricultural Policy, or CAP). The OIKONOMIKOS TAKHYDROMOS presents this important statement below. Specifically, the representative of the new government stressed the following to the Council in connection with these disputed EEC issues:

"The mandate which was given to the Commission went much farther than the text which the Commission finally drafted. The present business situation, which is such that a radical changing of Community policy is needed, has three chief characteristics:

"a) The current economic crisis, which is manifesting itself through high rates of inflation, a slump in investments, and increased unemployment.

"b) The great imbalances and inequalities which have developed within the Community area.

"c) The new phase in which the Community finds itself because of the accession of new countries.

"We believe that the proposals of the Commission are not fully responsive to the above points. Thus the problems of agricultural and regional policy remain unresolved, despite the fact that a solution to them could be responsive at the same time to the more general problems of the Community.

"The new Greek government believes that through the mandate of 30 May the Community has the opportunity to realize certain fundamental objectives which it has proclaimed.

"First, specific principles must be defined for the creation of a genuinely regional policy, by means of which help will be given to the truly underdeveloped countries--that is, to those of the European south and Ireland. We do not believe that an increase in that share of the Regional Fund (FEDER) which is outside national supports (hors quota) will serve the objectives having to do with bridging regional inequalities. On the contrary, it can lead to unacceptable conditions of a new sort--that is, to a further widening of the gap between rich and poor countries.

"We are against recommendations for concentrating the FEDER funds in certain areas of the Community which are hard hit by the crisis. On the contrary, we assert that the regional policy ought to be charted on the basis of the needs of an entire member country, and not with reference to certain particular regions in each of the member countries."

(Editor's note: The reason for this is obvious. Given the conditions which now prevail and which will prevail for a long time to come, the Community's role in the development of the regions cannot be anything but limited, or rather marginal even. The chief responsibility for the development, modernization,

and ultimately the equalization--economic, social, and cultural--of these regions can be borne only by the country to which the relevant regions belong).

Common Agricultural Policy (CAP)

"The restructuring of the agricultural policy ought to be done only in terms of a framework which will permit us to remove the weaknesses and inequalities which the Common Agricultural Policy (CAP) has exhibited up to the present. From the Greek standpoint, this means that we cannot accept the suppressing of agricultural income under any circumstances whatsoever.

"We should bear in mind that at present the Community consists of 'partners of unequal development.' The system of prices (uniformity of prices) should be adjusted so as to tally with this fact. We believe that what is needed is to adopt a system of 'differentiated prices' which will take into account the inequalities, the different inflation rates, the input costs in agriculture, and so forth.

"This system of differentiated prices will be accompanied by a 'selective' system of direct income supports, designed especially for small-scale farmers and certain other producers. Precisely for these reasons, we are opposed to recommendations for a reduction of the participation section of the Agricultural Fund (FEOGA) in the Community budget. On the contrary, we support the restructuring of the distribution of expenditures in the guarantee section, in such a way as to be conducive to the reduction and ultimate removal of the inequalities which characterize the European economy.

"Of course, there are certain problems with the 'structural surpluses.' The system of the 'joint-responsibility levy' should operate solely for these categories of products. This system should not be extended to any other product (and certainly not to Mediterranean products). For the same reasons, we are opposed also to the adoption of 'production targets.'

"Moreover, equilibrium in the CAP needs to be restored immediately. We believe that protection for products which are grown in the Mediterranean areas of the EEC must be effectively reinforced. It is unreasonable for a percentage of 45 percent of the guarantee section to be allocated to a category of products with structural surpluses such as dairy products.

"The supporting of Mediterranean agriculture also is in the interests of the demand for bridging the developmental gap between the European north and the south. Precisely for this reason, the Commission must submit soon (and not at the end of 1982, as it states in its report) the programs for Mediterranean agriculture.

"With all of the above as our basis, it seems to us that the development of a more stabilizing structural policy for the Community is needed.

"We believe further that the principle of Community preference should be implemented with consistency. This principle has been progressively undermined by various concessions to third countries--something which greatly hurts Mediterranean agriculture.

"The issue of national support for agriculture should be dealt with by considering the special conditions of each member country. If for certain reasons we as a Community cannot bolster the income of the farmers, then it is inevitable that the various governments will be compelled to proceed to systems of national assistance and income supports.

Budget

"As for the budget, and particularly the limits to the increase in the 'EEC's own funds,' we want it to be clearly understood that we are opposed to any increase at a time when the courses and activities which will be financed by the new budget have not been defined clearly.

"More specifically concerning the settlement of the problems involving the contribution of certain member states to the Community budget, we want it to be clear that any EEC arrangement settled on should take into consideration also the situation of other member states, which may exhibit even more serious problems in terms of their economic development."

The New Agricultural Policy of the EEC

The Common Agricultural Policy (CAP) is the foundation of the Community but also its most controversial policy. As a part of the "mandate of 30 May," the Community has begun the process of revamping this policy. In the text which follows, we are presenting in an exclusive report the chief proposals, orientations, and positions concerning the policy being reformed. As is known, the final decisions on this matter will be made by the European Council, which will meet at the end of the month in London, with Greek Premier Andreas Papandreu taking part. The new orientations are the following:

Policy on Prices

The Commission, bearing in mind the change which has taken place since the founding of the CAP (self-sufficiency with respect to the chief products), recommends a price policy not only based on bringing Community prices nearer to the prices which are in effect in the chief competitor countries--so as to increase the competitiveness of EEC products--but also based on a tiering of prices, with the aim of a more balanced production.

a) In connection with this orientation, the response by the delegations of Germany, Denmark, the United Kingdom, Italy, and the Netherlands was positive, with the reservation that:

- the meaning of the expression "prices which are in effect in the chief competitor countries" should be defined more closely,
- it is advisable to differentiate among the various products according to whether or not the world market is affected by the price policy which the Community implements--for example, the problem of dairy products does not present itself in the same way as the grain problem presents itself,

- in case this reduction in price differences leads to a decrease in the income of the producers, such a decrease should be made up for by means of suitable measures (the Netherlands).

On the other hand, there was a certain hesitation shown toward the Commission's recommendation on the part of the delegations of France, Belgium, Greece, and Ireland, which are stressing the decisive role of prices in the incomes of the producers and the danger which would be entailed in any income reduction, especially in the sectors of employment (intensification of urbanization) and the spreading of a turn toward national supports.

b) In this connection, it has been pointed out also that:

- the price policy must take into consideration the changes in production costs,
- it must take into account the different rates of inflation in the various member states,
- the organization of the market for Mediterranean products must be strengthened so as to give to the growers in these areas the same guarantees as are given to the growers in the northern areas,
- the restoration of cohesion in the marketplace requires the prompt abolition of the Monetary Countervailing Amounts (MCA's).

Trade Policy

a) Export policy: The Commission is proposing that the EEC should follow a trade policy which is more energetic, better organized, and more dynamic with respect to exports (for example, as a result of the enactment of long-range export agreements), with a parallel concern for the strict observance of the Community's international obligations and an awareness of the need to make a positive contribution to the stabilization of world prices. The Commission emphasizes that a general assessment is not possible, because the situation has a different appearance depending on the sector of production.

Many delegations were proponents of the notion of the positive contribution of the Community to the stabilization of world markets; the Danish delegation in particular emphasized the need for a more coherent and constant policy on returns. Other delegations drew attention to the need to avoid additional expenditures and to observe the international obligations of the Community.

As for the specific question of long-range agreements, this plan was favorably received by most of the delegations, with certain provisos in connection with the details of its implementation. On the other hand, Germany and Great Britain expressed caution. These delegations have not been persuaded that such agreements are needed, nor that they can be put into effect without causing an increase in surpluses, an increase in the per-unit distribution cost, and problems within the framework of the GATT.

b) Policy on imports:

1) General orientation

- The French delegation proposed that the Community's trade preferences be strengthened in such a way that there is a gradual reduction of imports of certain products which are upsetting the balance in the Community's market and which entail a significant financial burden. It also called for an increased surveillance to be practiced over the existing concessions, and for initiatives to be taken in certain sectors in order to deal with situations which could damage the interests of the Community. In this connection, the French delegation proposed that a periodic examination be made of the financial cost from these commercial concessions--a "reference table."

The delegations of Italy, Ireland, and Greece supported the viewpoint of the French delegation. In this connection, the delegations of Italy and Greece alluded to the difference in treatment which already exists in regard to the Community's preferences between the products of the north and Mediterranean products, to the detriment of the latter.

- Other delegations advised caution in seeking to strengthen the Community's preferences, since such a pursuit runs the risk of coming into conflict with the EEC's international obligations, of damaging the interests of the developing countries, and in any case of giving rise to ticklish problems of indemnification. The Danish delegation proposed another method, which will consist in granting to third countries significant tariff advantages for reduced amounts, together with the observance of a minimum price.

2) Products which are substitutes for grains

The French delegation stood firm in connection with the need to stabilize the massive and growing imports of these products, which are upsetting the balance in the Community's market, the consequence being an appreciable extra burden on the public-finance costs. This delegation recommended:

- For the non-funded products (more specifically, manioc, corn gluten feed), the search for an agreement within the framework of the GATT, if this is possible within the terms of Article XI, which provides that a state can restrict its imports if it takes measures for decreasing its production. Or alternatively, negotiating the enactment of tariff quotas (corresponding to the average level of imports in recent years), and if the quota is exceeded the implementation of a dissuasive charge which will be calculated on the basis of the charges which are imposed on imports of barley and corn.

In connection with this specific point, the following observations were made:

- A distinction should be made among the various products based on the role which they play in the feeding of livestock, and a study should be made of the consequences to the production costs of the Community's stockbreeders due to the removal of funding;

- the intermediate-range solution to this problem lies more than anything else in a progressive reduction of the difference between the Community's price and the world price for fodder grain.

3) Vegetable fats

In this sector, the Commission makes the following recommendations for stabilizing the olive-oil market:

- modifying the ratio of the price of olive oil/competitor oil, which should be fixed at 2 : 1;
- encouraging voluntary readjustments;
- for the other fatty substances, fixing the duration of the period of adjustment of the Spanish import regime to the Community's regime at the greatest value which is consistent with the transitional period;
- negotiation, within the framework of Article XXVI of the GATT, of a modification of the regime for imports of oils and oil-bearing seed;
- the possible establishment of a tax charge on vegetable oils, depending on the results which emerge from the other measures.

The delegations of France and Italy emphasized the need for the rapid utilization of the entire credit which the Community will have at its disposal by virtue of the GATT following the accession of Spain, and they expressed their disappointment over the fact that the Commission has postponed its decision relative to the principle of a tax charge on all vegetable oils without distinctions. The other delegations declined to take a stand on this for the time being.

Differentiation of Guarantees

The Commission is proposing a differentiation in the support which is given to the producer--particularly in the grain and milk sectors--as a function of the quantitative production targets which have been fixed in advance on a Community level. Most of the delegations agree with the idea of a differentiation of support beyond certain thresholds of growth in production. Nevertheless, there are significant disagreements in connection with the details of implementing such a principle.

In connection with the idea of production targets:

- agreement with the orientation of the Commission;
- doubts on the part of many delegations about whether the idea of production targets must be interpreted as a system of inflexible quotas which leads to the introduction of strict maximum limits for the Community's agricultural policy, rather than being in favor of establishing prescriptive thresholds whose overstepping will entail the implementation of measures (which will vary according to the products) having the effect of reducing the size of Community support;
- the categorical opposition of Italy and Greece to any attempt to exercise--by way of production targets--any control over the development of Mediterranean products which have prospects of expansion;

- the opposition of France to the concept of production targets to the extent that this concept gives the mistaken impression that the cost of the support is necessarily in proportion to the quantities which have been produced.

In connection with the measures which must be taken there are the following positions:

- joint responsibility on the part of the producers;
- agreement on maintaining and possibly increasing the present tax in the dairy sector, with the existing exemptions;
- agreement with the approach of the Commission, with the reservation that joint responsibility must be united with the proposed attempt to bring Community prices nearer to those of competitor countries, and that this must not turn out to be to the detriment of the consumers. Recourse to a supplementary charge in the dairy sector based on the quantities which exceed the threshold of production;
- opposition to the extension and maintenance of the system of joint responsibility, which should be reserved only for certain sectors and should be imposed only on those large-scale operations which function on the basis of imported raw materials. Consequently, this position would exempt small-scale operations and disadvantaged areas having a low rate of productivity, and it would be opposed to any kind of supplementary charge;
- in favor of restricting joint responsibility solely to surplus products;
- in opposition to any distinctions on matters of joint responsibility;
- progressively reduced support, depending on the quantities produced per farm operation.

The French delegation proposed that a special uniform tax charge be established, to be imposed on a per-operation basis:

- on the production of milk, with the exception of the first 120,000 liters, to which will be added a special tax which will be imposed on large-scale production units (beyond a certain threshold of production per hectare);
- on the aggregate production of wheat and barley, except for the first 1,200 metric quintals (100 kilograms);
- simplification of the support mechanisms.

The German delegation in particular proposed that the Community should turn at the same time to joint responsibility and to measures which will result in a decline in Community interventions in support of markets--such as, for example:

- the discontinuation of intervention on behalf of powdered skim milk and oil seeds (with a retention of supports for the marketing of the stockpiles);

- the intervention, at times, on behalf of beef;
- the reduction or the abolition of certain supports.

Structural Policy

The Commission proposes an energetic policy of agricultural structures which will be responsive to the characteristic features and special requirements of each area, and especially to the peripheral areas of the Community (Mediterranean areas and Ireland).

- The Irish delegation raises the question of how can an effective structural policy be advanced if the provisions of the orientation section of the Agricultural Fund have not been adapted to the needs which exist in this sector, and if the percentage of Community participation is not being increased;
- with the German and British delegations seconding its position, the Commission draws attention to the fact that many guidelines and regulations have been issued just recently in the sector of these structures, and that the consequences of these need to be evaluated before new initiatives are taken;
- the Greek delegation is calling for the planning and implementing of a common policy on forests.

Direct Income Supports

The Commission is making provisions in special cases for the implementation of a policy of direct income supports, which--because of the expenditures which this entails--will be limited to small-scale producers in certain sectors and will be implemented with considerable frugality. The details of its implementation will be decided on by the Community, which could possibly participate in the financing.

- Some delegations did not rule out the possibility of grants regardless of income, with the proviso that:

The details of their implementation will be determined at the Community level;

- they will not be connected with production, but with the producers;
- they will be financed exclusively by the member states--in the form, for example, of tax benefits.
- Other delegations emphasized mainly the dangers which are entailed by measures of this sort, for the following reasons:

Their cost is very high: A number of delegations have drawn attention to the contradiction which would be created by the enactment of a series of measures which most likely would increase significantly the financial burden. within the framework of a budget whose main objective is to reduce the cost of the CAP. For the Belgian delegation, the probable high cost of this measure is apparent immediately from the way in which the differentiation of the guarantee is provided for (on a macroeconomic level).

The partial or total resorting to financing on a national level will create distortions in the competitive system, and its effect will be that the entire venture will be reduced to a mere transfer of expenditures from the Community level to the national level, to the detriment of those member states with limited financial resources, and without this leading to any genuine saving.

Community's Measures on Edible Oils

Within the framework of the reformation of the Common Agricultural Policy (CAP) and as a parallel process, efforts are being made to improve the circumstances of and protection given to Mediterranean products, and especially with respect to oils. For the supporting of specifically this product, the Community is proposing to impose a Community tax on vegetable fats and oils. The purposes of this tax are:

- a) To improve the competitiveness of the Community's olive oil and butter vis-a-vis the vegetable fats and oils which come from third countries.
- b) To bring in significant revenues for the EEC's budget (fiscal aspect).

As is known, the international commitments of the EEC within the framework of the GATT do not permit that body to set up tariff or other obstacles to imported oil-bearing seeds and seed oils coming from third countries. On the other hand, the taxing of domestically produced and imported fats and oils without distinction is absolutely consistent with the rules of the GATT. From discussions within the European Community circles it emerges that the object of this tax will be absolutely all edible vegetable fats and oils which are destined for human consumption in the Community. The magnitude of this consumption in the EEC of the Ten comes to about 6 million tons per year. In the EEC of the Twelve, the total consumption will come to nearly 7 million tons.

Revenues from this tax: If the amount of the tax is fixed at 85 European monetary units (EMU) per ton of fatty substance, then vegetable fats and oils will be taxed just like butter is taxed from the joint-responsibility assessment which is imposed on milk. The total income for the Community budget comes to about 500 million EMU in the EEC of the Ten and about 600 million EMU in the EEC of the Twelve.

If the amount of the tax is set higher--for example, at 100 EMU per ton of fat, then the total income will amount to 600-700 million EMU respectively. Here it should be noted that the Commission estimates that in the expanded EEC of the Twelve the total expenditure of the Community budget for supporting olive oil comes to 1.4 billion EMU (in present-value terms). The prospects for the accession of Spain and Portugal and the significant expense which will be required in the EEC of the Twelve in order to support the Community's olive oil are also considerations which speak in favor of collecting such a tax as an additional source of income for the budget of the EEC.

Consequences of the tax on EEC consumers: The agencies of the Commission have calculated that a tax of 100 EMU per ton will lead to an increase in the price of margarine of 4.5 percent, and in the price of edible vegetable oils of

8.5 percent. It is estimated that these increases will raise the monthly cost of feeding an EEC family of 4 people by about 17 Belgian francs (equals about 25 drachmas).

Competitiveness of butter and olive oil: Assuming butter is exempted from this projected tax and butter continues to be taxed essentially by way of the joint-responsibility assessment which is imposed on milk--as was mentioned above--the extra charge on margarine will lead to a change in the butter/margarine price ratio, to the benefit of the competitiveness of the former. As for olive oil, its competitiveness vis-a-vis seed oils can be improved by measures which will lead also to a change in the price ratio.

In the EEC today, subsidies for the consumption of olive oil are fixed so as to maintain a price ratio between seed oils/olive oil at about 1 : 2.5. It is anticipated that a tax on the order of 85-100 EMU per ton on all vegetable oils without exception will of its own accord change this ratio to between 1 : 2.1 and 1 : 2.2.

Finally, the additional revenues which will be gathered as income for the EEC budget provide a twofold extra opportunity to support olive oil:

- a) by increasing the subsidizing of consumption;
- b) by increasing the subsidizing of production.

Status of Appointment of Greek Functionaries to Community Agencies

What will be done about the appointment of senior officers to the European Commission? This country's shift of administrations creates an immediate problem in connection with postings of higher officials to the European Commission. As is known, Greece has the following positions in the Commission: One A1 position (general director), five A2 positions (directors), and thirteen A3 positions (directors of sections). Up to now, only one position--that of general director (A1)--has been filled. This was occupied by Ath. Andreopoulos, a former director general in the Ministry of Coordination.

For the positions at the A2 level, the previous government had nominated three persons for each of the following general directorates: a) general directorate of foreign affairs, b) general directorate of energy, c) general directorate of economic and financial matters, d) general directorate of Community affairs, and e) general directorate of statistics. Some of the candidates for these directorates have already been subjected to an interview, but no appointments have been made. Now the question is: "What is to be done?" Will the new government want to submit a new list of candidates despite the legal obstacles to such an action which exist? At the time these lines are being written, nobody knows the answer to this.

As for the thirteen A3 positions, the Commission is proposing that they be filled by competitive examination, whereas the previous government had sought to submit a list of candidates chosen by the administration. It is unknown what policy will be adopted by the new government. In any case, it would serve Greek interests for these positions to be filled as soon as possible.

DEFICIT NOTED IN OCTOBER BALANCE OF PAYMENTS

Athens TO VIMA in Greek 10 Dec 81 p 2

/Text/ According to Bank of Greece data published yesterday, the balance of payments during the January-October 1981 10-month period exceeded 1.9 billion dollars and showed a 230-million-dollar deficit. This is considered particularly disturbing since to the permanently adverse trade balance is now added the worsened balance of "invisibles" which most often "helped" the trade balance.

Economic circles pointed out, however, that the fact should not be overlooked that the data concern October, the month of elections, and they are not therefore representative of the /true/ economic situation. More specifically, in October 1981 compared to October 1980:

a. The imports dropped by 5.2 percent while the exports decreased by 11.3 percent resulting in a drop in the trade balance deficit by 1.8 percent.

b. The invisible resources decreased by 6.8 percent. Despite the increase in tourist exchange by 14.8 percent--which indicates a favorable prolongation of the tourist peak period--the impact of the drop in the maritime exchange by 22.3 percent is considered particularly unfavorable. Thus, coupled with the large increase of invisible payments by 79.9 percent--of which an increase by 210 percent represents interest payments on public loans--the income from invisible resources dropped by 27.7 percent.

Considerably reduced (45.5 percent) was the capital movement in the private sector. The drop in entrepreneurial working capital reached 42.9 percent while that in real estate sales was 50.7 percent. In contrast, the private deposits in banks increased by 122.2 percent.

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CSO: 4621/98

NO NATIONALIZATION FOR PHARMACEUTICAL INDUSTRY

Athens I KATHIMERINI in Greek 16 Dec 81 p 2

[Article by L. Petridis]

[Excerpt] The Social Services Ministry will take immediate and long-term measures for cleansing the medicinal circuit which (cleansing) is considered indispensable. According to our information, these measures will introduce a sort of state intervention in the production and distribution of medicines. This represents the government's original plan. All professional and pharmaceutical agents cooperated in drawing up these measures according to statements they made following their repeated meetings with Social Services Minister Avgerinos. In yesterday's last meeting, moreover, they reached the conclusion that the question of medicines must be considered as a social commodity and that the present legislation must be revised.

Seventeen manufacturers and distributors participated in these meetings under the minister's chairmanship. The Social Services Ministry will set up a 3 or 4-member committee which will submit the final plan for immediate and long-term measures.

Under consideration is the establishment of a State Agency for Medicines [KFF] whose function will be to produce and create reserves for certain medicines. More specifically, KFF would produce about 20 brand name drugs among which are vitamins, tranquilizers, anti-phlegmonous drugs and antibiotics. On the other hand, the production of the domestic industry will be curtailed through legislation by 15 percent and whenever there is a shortage in the market KFF will supply it with medicines it produces.

At the same time, the national pharmaceutical industry will supply medicines to the armed units, the Social Insurance Foundation and the rural clinics. Naturally, KFF will import the first raw materials for medicines and will control their sale to the pharmaceutical industry which will be taxed on the basis of the percentage of the raw materials they will receive. In this way the cost of medicines will be curtailed, the known pressures for sales will cease, the supply of medicines will be controlled and the supply of services to the public will be much better.

This method of state intervention, moreover, coincides with the views of EEC and the World Health Organization on controlling the medicinal circuit.

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CSO: 4621/98

NO NEW TAX EXEMPTIONS PLANNED FOR 1981

Athens I KATHIMERINI in Greek 2 Dec 81 pp 1, 3

[Article by Th. P. Kassinis: "The New Tax Reductions Will Not Apply to 1981 Income"]

[Excerpt] "Any tax exemptions" provided in the new tax draft law the government plans to introduce to the Chamber of Deputies along with the budget (end of February-early March) will not apply to the 1981 incomes. On the contrary, last year's incomes will be taxed in accordance with the law the previous government voted and will be subject to the tax exemptions the New Democracy Party included in the law and which amount to about 6 billion drachmas.

This is the conclusion derived from statements made by Finance Minister M. Drettakis and the relevant discussions he held with journalists about the 1981 tax returns and the government's new tax draft law. Specifically, the minister said:

1. Instructions were issued to the services to mail the income tax forms as prepared by the previous government together with the instructions prepared on the basis of the New Democracy tax law.
2. The government is still studying the impact on the budget from the tax exemptions legislated by the previous government.
3. The government's tax draft law will be introduced to the Chamber of Deputies immediately after the budget is voted.

The discussions with the journalists showed also that the government has not yet decided to implement the tax deductions for the 1981 incomes. The government will consider the possibility of putting into force in 1982 the exemptions legislated by the previous government only if such exemptions are smaller than anticipated or if the budget allows for such margins.

However, the burden on the budget due to extant exemptions (reduction in revenues) must be considered a fact just as one should consider a fact the drop in total revenues from taxes due to the recession especially during the second half of the year. This recession negatively affects the profits and therefore the taxable material.

At the same time, the increased new budget needs, a percentage of which must be covered to some extent by the new taxation--as the finance minister himself testified last Friday before the proper parliamentary committee--do not allow for margins in the 1981 incomes for tax exemptions, for a readjustment of the tax scales, for an increase of those exempt from taxation because of family responsibilities, etc., and should be considered certain that "any" arrangements will concern only the next fiscal year.

Tax Evasion

To this moment, no specific measures exist for smiting tax invasion and apprehending taxable income but, as Finance Minister Drettakis stated, the government is at the stage of studying "tax evasion methods." The Drettakis statement was brought to the attention of former finance minister Milt. Evert who last night said the following:

"With regard to the government exemptions for this year's incomes, the New Democracy government has prepared a draft law according to which taxpayers with three dependents (wife and two children) and with an income of up to 500,000 drachmas were fully exempted. The corresponding incomes in 1980 and 1979 were 365,000 and 255,000 drachmas respectively.

"As concerns the study of the impact from the New Democracy exemptions, one is wondering with whom the government studies this issue since it has fired all the directors, the only excuse being that they have served in that capacity under the former political leadership of the ministry."

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CSO: 4621/95

BRIEFS

OIL PRICE DOWN--The price of oil the state refinery will buy from the consortium of companies which exploits the Prinos deposit (North Aegean Petroleum Co.) has been fixed at 32 dollars per barrel instead of at 32.64 dollars. The new price, fixed following recent relevant negotiations and after the drop in the oil international prices, will be in effect during the first 1982 quarter. But the 32-dollar per barrel price may again be reduced in the event that after the first 1982 quarter this price is higher than that which will result from the implementation of the relevant agreement and which represents the average international price.
/Excerpt/ /Athens I KATHIMERINI in Greek 5 Dec 81 p 2/ 7520

CSO: 4621/95

INDUSTRY MINISTER'S DIRE FORECAST ON ECONOMIC SITUATION

Rome LA REPUBBLICA in Italian 6-7 Dec 81 p 3

[Interview with Industry Minister Giovanni Marcora by Eugenio Scalfari: "Layoffs, Taxes, Sacrifices, Bitter Prescription For A Sinking Italy"]

[Text] Rome --On 2 December Giovanni Marcora, minister of industry, sent a long letter to the president of the Council. His collaborators say that there were 12 typewritten pages, plus a thick folder containing tables, graphs, and figures. There would not be anything unusual about the fact that a minister wrote to the head of the government for official reasons; but it seems that, in this instance, there are other reasons. Marcora's, in fact, is not an office memorandum, however important or confidential, but still of routine nature; the sender himself, questioned on this matter, is not being mysterious about it, but keeps the content of the document strictly confidential "out of loyalty toward Spadolini": It is a true and real political "cry of anguish," sort of a "last warning," a "distress signal" at the eve of catastrophe that the head of the Christian Democrat delegation at the government and head of one of the departments most directly involved in the storm of the economic crisis wanted to voice to the president of the Council.

[Question] Do you want to talk about it, Mr Minister? Do you want to let public opinion know where we stand and which are the serious and imminent dangers that you see?

Marcora assents and our interview begins.

[Question] Are we, then, in a recession?

[Answer] "We are in full recession, even if people are becoming aware of it only now and still not completely. On the other hand, it is not only an Italian phenomenon, but one which pertains to the entire Western industrialized world as well as the Eastern communist regimes. To fight inflation all principal industrial countries of the West have been adopting for some months restrictive monetary policies which have produced a general economic stagnation. The consequence: a fall in the internal and external demand, reduction in income, increase in unemployment, a fall in investments."

[Question] Have these steps at least resulted in slowing down inflation?

[Answer] "Not in Italy, or at best, very little. The truth is that in our country the recessionary effects are beginning to be felt only now. And then the rigidity of our industrial system has slowed down the spread of these effects."

[Question] This is good, isn't it, Mr Minister?

[Answer] "It is good in certain respects, but not in others. We can count on a certain flexibility in the labor market. For instance, the Wage Supplement Fund mechanism: When a firm is in crisis nonessential workers are being placed under the Wage Supplement Fund instead of being laid off, and their salaries are being paid by the government. Salaries are protected and people do not end up in the street. This is the positive aspect. Can you imagine what would happen if there were the freedom to lay off workers? What social tensions? What conflicts? But, next to this positive aspect, there are many negative and serious ones."

[Question] Would you care to identify them, Mr Minister?

[Answer] "They are quite obvious and are recognized by the unions themselves by now. The Wage Supplement Fund does not free the firms of surplus personnel. When the period of suspension is over, workers return to the firm's payroll, and the firm cannot, therefore, undertake an effective restructuring. In the meantime suspended workers get back into the black labor market where, already having a guaranteed income, they are in a position to offer their services at more favorable conditions than other workers, thus seizing available jobs from unemployed people. Furthermore there is the cost borne by the government."

[Question] What does this cost amount to?

[Answer] "During 1981 the Fund financed 500 million lire of work hours. This is equal to a "hidden" unemployment of 250,000 people which must be added to the two million unemployed registered by the Labor ministry. The cost was 2,500 billion lire. A colossal figure."

[Question] Has this figure been included in the 1982 estimated budget? Is it part of the budget that should reach the unprecedented figure of a 50,000 billion lire deficit?

[Answer] It has been included in minimal part. Practically, if the Wage Supplement Fund should sustain in 1982 the same load of 1981, the deficit would increase at least by another 2,000 billion lire. And if the hidden unemployment should be higher than that of 1981, the deficit would increase by the same amount."

A Situation Without Alternatives

[Question] Has any mechanism that may limit the use of the Fund and therefore the rise in deficit been considered?

[Answer] "No, no mechanism. INPS [National Social Security Institute] pays the Fund on the basis of their list of expenses; namely it finances the salaries of

suspended workers. It is a situation without alternatives unless one wants to throw the workers in the street."

[Question] You are describing a very serious situation.

[Answer] "That is exactly what I feel."

[Question] How many permits authorizing use of the Wage Supplement Fund have you issued in these last few weeks? Is there an increase in relation to the recent past?

[Answer] "There is an increase and it is an alarming one. During the last CIPI [Interministerial Committee for Economic Planning] meetings we have approved 421 permits for the Supplement Fund. All productive sectors are involved and firms of all sizes located in the North and in the South. In the North, for obvious reasons, the recourse to the Fund is greater, whereas in the South true unemployment is greater."

[Question] Do you mean that northern workers get more support?

[Answer] "The worker going from an employment status to one of hidden unemployment gets greater support. True unemployed workers, almost all southern youths, have never walked through a firm's gates and, therefore, remain at the starting point."

[Question] What was the Supplement Fund's load in 1980?

[Answer] "About half of that of 1981."

[Question] The situation has, therefore, suddenly become worse?

[Answer] "I would say during the last five months. In 1980 real consumption by families increased by 4 percent, automobile sales were 17 percent greater than those of the previous year. The reversal in the trend started very recently."

[Question] However, exports are not doing badly.

[Answer] "We have had two devaluations of the lira in few months and this has facilitated exports, but at high cost; we are exporting more and earning less. In any case, the favorable trend of exports is uncertain and does not compensate for the fall in investments and in the consumers internal demand."

[Question] What can we do, Mr Minister?

[Answer] "We will have to push productive investments and those that weigh less on imports. It is necessary that the whole system again become productive and fruitful. It is necessary that firms may be able to lay off surplus workers."

Heavy Investments

[Question] But you said that this is impossible.

[Answer] "I said that we cannot push people to despair, but one must be able to lay off workers when the market is weak and firms are in bad shape. Instead of the Wage Supplement Fund, let's decide to give all unemployed people a minimum salary guaranteed as is being done in France: this is my proposal. And let's allow firms the necessary flexibility to meet market conditions. If self-financing does not start again, if the Italian product does not become competitive again, if the cost of labor does not stop growing in real terms, we will face ruin."

[Question] If, if, if,... we have been hearing these dire prophecies for some time, but nothing happens. Does it mean that you are being more pessimistic than necessary?

[Answer] "It is not so. We are not being pessimistic, on the contrary."

[Question] Does it mean, Mr Minister, that the economic situation is worse than the government admits?

[Answer] "Yes, I affirm it without fear of being proven wrong: The situation is worse, clearly worse. We have a 57,000 billion lire deficit for 1982..."

[Question] 50,000, Mr Minister?

[Answer] "I know what I am saying: 57,000, if not more. Figure it out: The total domestic credit will be 72,000 billion lire. If the treasury will take 57,000 to finance its deficit, there will remain 15,000 in all to finance the rest of the economy. What can one do with 15,000 billion lire? Not even the investments for maintenance."

[Question] This is a forecast, Mr Minister, a worrisome forecast, but a forecast.

[Answer] "Based, unfortunately, on facts. Do you know the average amount by which the Bank of Italy financed the Treasury in October and November of recent years? 4,000 billion lire, a large amount but controllable. But during October and November of this year the figure became 12,000 billion lire. Which is out of this world"

[Question] You have not yet answered my question: What should we do?

[Answer] "On the contrary, I did answer you. First of all steps should be taken so that the system may again be productive, and therefore, geared toward investments. In the meantime, it is necessary that the government invest heavily in primary sectors, such as housing and public works, especially those initiated but left unfinished for lack of funds. And in agriculture. Then it is necessary that the public deficit be really contained. And that the cost of labor decrease."

[Question] You are saying the cost of labor. And also real net salary?

[Answer] "I am afraid so, I am afraid that we must begin to realize that also real net salary must decrease. It is necessary to reabsorb unemployment, that which is apparent and that which is hidden by the Wage Supplement Fund. If we

want to keep more people employed, it is necessary that labor be less expensive than it is now. On the other hand, if we speak with union leaders off the record they too agree with this assessment; otherwise there is no way out."

[Question] And you are saying: it is necessary that the public deficit decrease. But how? If you are even telling us today that the correct figure is not 50,000 but 57,000...

[Answer] "We must increase taxation."

[Question] But Mr Minister, be consistent. The minister of finance, Formica, sustains that higher taxes are out of the question, rather that taxes should be decreased. Unions claim the end of the deadly "fiscal drag" deriving from inflation. And you are now suggesting that new taxes be imposed?

[Answer] "I am evaluating reality. Sacrifices? Who made them until now. Have you seen anyone giving up vacations, week-ends, movies, certain gourmet foods, certain alcoholic beverages, car trips? Tell me: have you seen many people make this type of sacrifice? Have you seen unions really abating their requests? Don't you see that everybody wants to recuperate what was lost due to inflation? But if they recuperate, not only will inflation not be stopped, but will increase fast. Watch out, it is a race which inflation is winning, not those who are running after it. And when inflation wins, the economy loses and right after that democracy loses and then freedom loses. No, don't think that I am making statements for the sake of rhetoric. I am a practical man. I am an old man from Lombardy, I have been a politician for 30 years, I am not an intellectual. But I get to the point. Now the time for making sacrifices has arrived. Not because the government would impose them, because it would not have the authority, not because unions would accept them, but because recession is unloading them on us. Then we must find out if we want them to be conscious sacrifices serving some purposes, to initiate a rebound or if we want to go, like animals, to the slaughter house."

[Question] Great strength is necessary to adopt a policy of conscious sacrifice.

[Answer] "I know."

[Question] Perhaps patrimony should be taxed, not only real estate but also financial assets, stocks, deposits.

[Answer] "These are not matters to be discussed in the course of a newspaper interview. But I agree with you on one point. Great strength is necessary."

[Question] Can a policy like the one you have in mind be implemented with the PCI at the opposition?

[Answer] "It could not be done unless the communist opposition were somewhat made to assume greater responsibility. I don't know how. But somehow. On the other hand Spadolini is perfectly aware of it and, as far as he can, is trying to do it."

[Question] But with a lot of opposition within the majority parties.

[Answer] "Well, we must ignore this opposition. We are not in a position to play politics. We must run the country; not in an abstract sense, but concretely, in order to do, to perform, to legislate, to administrate. With the existing forces that are willing, that are interested in avoiding a disintegration. I still believe it possible if everyone will do his duty."

9758

CSO: 3104/66

JOURNAL CRITICIZES GOVERNMENT ECONOMIC POLICY

Amsterdam ELSEVIERS WEEKBLAD in Dutch 28 Nov 81 pp 33-35

[Article by Peter Hund: "Living at the Cost of the Future -- Government Deficits Larger than Ever"]

[Text] The Van Agt II administration differs widely from the Van Agt I administration. The new team not only predicts savings and a reduction of the deficits in the public sector, but it can also explain in fine details why a reduction of the growth of the public debt would be good for the maintenance of purchasing power, for job opportunities and for economic growth.

But that is not the only difference. The Van Agt I administration scarcely knew why, but at least it started an attempt to reform the country's finances. The Van Agt II administration knows very well why, but will not even make a start. With many pretty words the government deficits are talked away and/or down. In reality they are increasing at a higher rate than ever.

"The financial elbow room necessary for a large scale offensive (against unemployment) has been used up in the past. The financing deficit has reached such proportions, that its increase would result in more jobs being lost than would be gained with the extra expenditures. That road has been cut off. Let me put it even more strongly: it is high time to start working at a clear reduction of the financing deficit."

Thus spoke Prime Minister Van Agt last week in the House, in his introduction to the section on "Economic-financial-social policy" of the final government declaration. Thus the prime minister carried on a tradition. For years now, the government has been "of the opinion that, in the interest of a balanced development of the Dutch economy, the size of the government's financing deficit will have to be reduced within a few years to a structurally acceptable level." Expert officials once calculated this level at 4 to 4.5 percent of the national income -- 12 to 15 billion guilders -- for the /total public sector/ [in italics]. These days they prefer no longer to talk about that.

Decisions

For years also, successive administrations have been saying that the words of the previous government declaration "include the decision that the actual financing

deficit in 1982 will not be allowed to rise beyond 6.5 percent of the national income." Naturally, over the years one thing or another was changed in those "decisions." The percentage "beyond which the financing deficit will not be allowed to rise" goes up every year. This maximum percentage is rising at an ever increasing rate. The extent to which the government believes it should and thinks it can reduce the /next/ [in italics] year's financing deficit in relation to the current year becomes larger every time, and yet every time they "decide" in favor of a larger financing deficit. Finally -- and this was an innovation in the last government declaration -- a decision was made in favor of that maximum 6.5 percent financing deficit for 1982, "providing that the financing deficit in 1981 does not turn out to be higher than 7.5 to 8 percent of the national income." In other words: the government has tied the extent to which the financing deficit in 1982 will be reduced to a maximum -- 1 to 1.5 percent --, not the financing deficit itself.

Hence, a financing deficit of 7 percent has been budgeted for 1982 in Minister of Finance Van der Stee's "Memorandum on Policy Adjustments in the 1982 Budget." In order to finance "a large scale offensive" against unemployment, it has once again simply been "decided" that next year the financing deficit of the government can be three-quarters of a percent higher than had ever been considered "maximally acceptable" for this year.

From a party political and a political-strategic point of view, this persistence in sin is of course easily explained. However, from an economic-political point of view, such a position is not only increasingly unwise -- even according to the new administration itself -- but also increasingly senseless.

Negative

Until recently, a government could always turn to Keynesian and neo-Keynesian economic theories and related computer models to justify ever increasing government deficits. But obviously, even the Van Agt II administration cannot invoke these theories when, in the government declaration issued the previous week, it indicated at least two reasons /why/ [in italics] to maintain the level of "purchasing power" and the total consumption expenditures through an increase of the financing deficit of the public sector could well have a negative effect.

First of all, the administration finally officially admitted in its government declaration that the high interest rate on the Dutch monetary and capital markets is not, or at least not solely, to be blamed on stupid Americans or annoying Arabs. According to Van Agt, these days the "economic-financial-social policy" and the resulting financing deficits also have an impact on the interest rate. Now, the prime minister only mentioned a possible positive impact: "A substantial reduction of the financing deficit could lead to a lowering of the currently very high interest level." But it will surely not have escaped him that the reverse would be equally true then.

Secondly, the administration has broken an economic-political taboo in its government declaration. Many people have in the past, and still do today, considered the size of the total government debt to be of no importance to the nation's budget and the country's economy. But the new administration thinks differently. According to the Van Agt II administration, the deficit reduction and the resulting interest rate reduction are in fact a necessary condition to this deficit reduction and interest rate reduction itself, because it is only then that "a halt can be called to

the alarmingly rapid increase of the interest charges which the public sector is currently faced with."

Van Agt used a politically relevant method to make it clear at what an "alarming rate" the costs of the thus far customary government policy are rising out of the pan: "At the present time, the government debt is growing 65 to 70 million guilders a day. The interest charges for the government debt amount to 3,500 guilders per employed Dutchman per year and they are increasing by 600 guilders per employed individual per year." In other words: the average person will have to give up 10 percent of his gross income in "purchasing power" over the course of the year, merely to pay the interest on the numerous public expenditures which were considered useful and necessary in the /past/[in italics].

In addition, each year there would be an extra loss in purchasing power of nearly 2 percent per year, cumulative, if the government debt continues to rise at the present rate.

That is not alarming, it is frightening. And it is only the very tip of the iceberg. In the final analysis, it is the income earners in the private sector who together will have to earn the interest on the government debt. Their number is roughly half of the total number of employed individuals, their average income is somewhat lower than in the public sector, and thus their burden is more than twice as heavy. Their willingness to carry this increasing burden is waning.

Installments

Furthermore, Van Agt completely sidestepped the instalment problems. The amounts which the government has to pay off yearly on old loans will go up at an increasing rate over the next few years, because in the past the government consistently borrowed more for shorter periods of time. Thus far it has always been assumed that every year, in addition to the financing deficit, the governments would be able to borrow as much as they would need to pay off that year. As ever larger parts of the government debt end up in foreign hands, this is becoming increasingly doubtful. What is certain is that this will only be possible at proportionately higher interest rates, in order to stimulate capital import from abroad and thriftiness within the country. But this in turn increases the interest rate problem.

Thus, it looks as if the government has somewhat begun to discover the fact that and the reason why the up to now commonly used policy leads, in the short term, mostly to shifts of expenditures, and in the somewhat longer term, rather to a reduction of them. instead of leading to a maintenance or increase in purchasing power, unless it were possible to let the financing deficit and the government debt grow endlessly and even more rapidly. And the government even seems to doubt whether this would "help": "Furthermore, a clear reduction of the financing deficit is essential to curb the creation of money and the resulting inflationary pressures on the price level and interest rate," Van Agt said last week. If you formulate this sentence in the negative sense, you will only say what traditional economists have claimed as far back as anyone can remember: in the somewhat longer term, to stimulate economic development with government deficits only leads to inflation and higher interest rates.

All of this, however, does not mean that this will also result from lower financing deficits. First of all, there is the political fact that a substantial part of

"this administration and this parliament," according to Van Agt, "realizing that the government cannot achieve economic recovery on its own," happen to be of the opinion that the private sector cannot at all do it on its own. Those individuals within "this administration and this parliament," who happen to be of the opinion that the government should in any case make plans and taken measures to "restore the productivity of economic life" and "job opportunities in the private and public sectors" -- and this truly does not refer to PvdA [Labor Party] members alone -- also had to come into their own.

In addition, even "this administration and this parliament" must recognize that the steadily increasing taxes and social benefit payments have caused "the distance between gross and net rewards for labor and capital" to become not only "very big," but primarily also "a handicap to work, saving and investment."

Recovery Plan

It is true that this last insight did not prevent "this administration and this parliament" from raising "a level of public taxation which is virtually without parallel in the world" once again substantially for next year (the only question is how?) and besides also from widening the gap between gross and net income (the question again is: how?), but then this was very much necessary to be able to pay for at least part of the upcoming economic recovery plan -- popularly still referred to as the "track plan" -- without a yet greater reduction of the financing deficit.

Whether this is detrimental will clearly depend to a large extent on the evaluation of that track plan, of which not too much is known yet. Strictly speaking, however, that does not make much difference. Because "this administration and this parliament," including the big track planners, are unmistakably of the opinion that such government measures will produce results only when, if and to the extent that the financing deficit and the growth of (the interest rate on) the government debt are reduced. Under these circumstances it does seem strange, even to the most fervent supporters of "this administration and this parliament" and this policy, that this is not even being tried.

In this sense, the proposed policy of the Van Agt II administration differs widely from that of the Van Agt I administration. The latter at least started with an attempt -- Specifications '81 -- to effect a basic cut in the growth of public expenditures, public liabilities and public deficits. By now, the "striving" of the Van Agt II administration to achieve a stabilization of public liabilities and a reduction of the financing deficits -- the extreme necessity of which is very keenly demonstrated by this very administration --, consists of little more than some unlikely and unverifiable debt payment effects of an unknown track plan, the customary "temporary" tax increases and further a great many empty shouts on patient paper.

This is all the more noticeable because the Van Agt II administration bases its policy completely on the policy of the maligned Van Agt I administration, which was so strongly opposed by a large part of its political rank and file.

Provided that the gaps, listed by the previous administration in its Memorandum on the Budget and since then widened by misfortunes and cabinet crises, could be filled by the new administration, that new administration believes that it will need to do nothing more than look for "compensation" for what it believes it will have to spend more of and/or cut less of next year. Consequently, the Van Agt II administration did not do anything more. Actually it did less.

Optimistic

That is strange, but especially little. Because in that Memorandum on the Budget the previous administration already did little more than concern itself with the present moment: to make a few corrections in developments which are far too optimistically estimated in continuing the old policy.

Finally, the previous administration could get its financial sheet to hang together only by hoping for an improvement of their competitive position, exports and the current account of its balance of payments, ultimately "resulting" in an economic growth reversal of no less than 4 percent -- from minus 2.5 percent this year to plus 1.5 percent in 1982. That this hope would become a reality was already unlikely at that time. With the revaluation of the guilder against most foreign currencies and bad expectations specifically with regard to the American economy, this hope was definitively dashed.

Obviously nobody knows what the burden of public liabilities and the government's financing deficit would have amounted to in 1982 if Wiegel had gotten his way and the former administration had simply remained in power, if the policy proposed in the Memorandum on the Budget had been implemented on time and completely, and if the nasty outside world had not provided us with new "misfortunes." But there is little doubt that the share of the public sector in the national income -- not to mention the natural gas profits -- would have gone up again. And it can hardly be argued that the government's real financing deficit -- the official one plus the hidden statistical, administrative and technical financing corrections -- would have been lower than this year. What is more probable is that it would have been higher.

This means that the new administration "started off" in 1982 with a financing deficit of at least 7.5 to 8 percent. By doing nothing, the deficit would immediately have increased by more than 4.5 billion guilders. You see, that nasty Van Agt I administration had left a few substantial "to be determined later items," also called "holes," in its 1982 Memorandum on the Budget. The Van Agt I administration believed that the national government should easily be able to get as much as 0.5 billion guilders less in taxes from wage and price increases than it would through a complete correction of government expenses for inflation. The Van Agt II administration also believes that this should be possible. But how this is supposed to work will only be decided in the spring of 1982. Hence, that hole is still there.

5 May Off

The Van Agt I administration believed that government personnel should get 5 May off. The Van Agt II administration also believes this. The intention seems to be that the civil servants will work even harder the rest of the year. They will have to, because in order to compensate for the cost of this day off, the Van Agt II administration plans to fill less civil service vacancies. But the creation of less work in the quaternary sector at best results in the transfer of the 100 million guilders -- which is apparently the cost of a single day off for civil servants -- to unemployment and work disability funds. This hardly makes the hole smaller.

The Van Agt I administration wanted to think some more about "a later to be specified cut in the amount of 100 million guilders in the area of social security." "The filling in of this item," says the Van Agt II administration, "is connected with the solution of the overall problems, especially in the area of social

security." It also notes that the cabinet "has agreed to supplementary impositions in the amount of 200 million guilders." "Further information concerning these supplementary impositions will be provided shortly," is also added. But for the time being that hole has been doubled.

Under the Van Agt I administration, the government's financing deficit in 1981 avoided increasing even more because expenditures, specifically from the Ministries of Transport and Waterways and of Economic Affairs, were transferred to 1982. With this, the 1982 deficit was in imminent danger of becoming 500 million to 1 billion guilders larger. That danger still exists because the Van Agt II administration has decided "that the departments involved will take such steps" that this will not happen, but not yet what those steps may be and when they will be taken.

A similar problem exists in the Ministry of Housing. According to Halberstadt and De Galan, the Van Agt II administration has already "completely" solved this. Out of a 740 million guilder hole, 630 million will be transferred from 1982 to 1983. Alas, this does not eliminate the existence of that hole. The remaining 110 million guilders will at least "be covered with general measures."

To implement the construction CAO's [Collective Labor Agreement] in relation to the salaries of civil servants and trend followers would have increased these expenditures by 1.6 billion guilders. However, Minister of Internal Affairs Van Thijn will not receive that money. The construction CAO's will largely not make themselves felt in the trend. Van Thijn will only receive 50 million guilders next year from general coverage measures in order to propitiate the civil servant unions.

However, the Van Agt II administration did not manage to make an equally quick decision on the more than 400 million guilders left behind by the Van Agt I administration in "yet to be determined" cuts and increases of non-taxes. Next, they quarreled over the extent to which they themselves could create new holes. The time involved in fighting and settling this quarrel again caused new holes. As a result, the planned measures to cut the budget in social welfare, health and labor conditions in the public sector will only go into effect later than planned. That will cost at least a good 0.5 billion guilders next year. Hence, the managers of the social funds could once again look over their figures for next year. They found a 300 million guilder mistake. And during that time, the cabinet had to make a decision on the revaluation of the guilder and the country's gas sellers could make new calculations for natural gas incomes. These turned out to be no less than at least 2.7 billion and perhaps as much as 3.2 billion guilders smaller than anticipated.

Apparent Problems

Luckily, the economic expert "informateurs" rapidly managed to think of solutions for these "apparent problems" and to glue the administration together. Under their leadership it was apparently decided to proceed with "only" 1.7 billion guilders (instead of 6) in new policy, 415 million guilders less in budget cuts, 330 million guilders as initial capital for an Industrial Projects Company [MIP], and another 250 million guilders for extra subsidized housing construction and insulation. However, the latter amount will be borrowed directly on the capital market and thus will not appear in the budget. Nevertheless, in the hands of the Minister of Housing and Insulation the hole simply increases by that amount. Originally, the Van Agt II administration could play the same game with the MIP. However, after taking a closer look it was decided to leave these 330 million guilders as a hole in the budget.

The natural gas problems were cut in half in the same way. Of the upcoming 2.7 to 3.2 billion guilders smaller than anticipated amount, only 1.3 billion were "re-recorded." In order to close the remaining hole, 700 million guilders of the expected excess income for 1983 were set aside. But that does not reduce the hole in 1982. And the then still remaining 700 million to 1.2 billion guilders simply remain completely uncovered.

Thus, while making decisions and resolutions, quarreling and putting things back together again, in a few weeks the new cabinet managed to make the financing deficit of the public sector nearly 2.5 billion guilders larger than it would have become in any case under the Van Agt I administration. And there still remained up to nearly 5 billion guilders in old and new holes to close. And these holes will be partly closed. A doubling of extra natural gas sales to Dutch electric power stations will undoubtedly yield the budgeted 800 million guilders. An increase of the state share in the operation of small natural gas fields will certainly also go through, although it remains to be seen whether it will produce the expected 300 million guilders. The increase of excise taxes on beer, soft drinks and sugar and of wage and income taxes -- 700 million guilders -- will probably also be implemented.

Whether a solidarity levy of 500 million guilders will be imposed, has in the meantime, however, become somewhat doubtful again. First of all, the cabinet cannot agree on whether we should express our solidarity via income taxes or via the BTW [Value-added Tax]. Furthermore, CDA [Christian Democratic Appeal] parliamentary party President Lubbers has suddenly come out against it. He would prefer to see an investment fee, without actually telling us how you would cover government deficits with this.

What is much more certain, on the other hand, is the fact that the new administration will really implement the decision to "accept" a financing deficit in social funds of a good 1 billion guilders. Alas, this is once again nothing more than a shifting of public deficits.

As for the still remaining problem of nearly 1.5 billion guilders, the new administration actually decided to close it with savings. Another recalculation of the savings in social security taken over from the Van Agt I administration, produced a sum of 200 million guilders more than anticipated. In addition, the cabinet believes that the recovery of investments is such a high priority in the private sector that it will be able to save another 250 million guilders in investment premiums.

Distribution

The then still remaining 1 billion guilder hole will be closed through national budget cuts. That is to say: that amount will be nicely distributed over the various budget headings, except for a yet to be distributed and filled out item of 65 million guilders. But: "In the short period of time available, the discussion of the final determination of the measures to be taken to fill out these figures could not yet be completed. Consequently, a distribution between reductions of expenditures and increases of non-tax means cannot yet be provided. Parliament will be informed shortly about the final measures to be taken to fill out the amounts." Once again then, we have to wait. For the moment, a large hole has only been cut into smaller pieces.

The end of the song is that, for the time being, the new administration has only managed to increase the enormous financing deficit of the public sector. While reviling the Van Agt I administration, which apparently left "enormous holes" in its budget, the Van Agt II administration, shouting that the financing deficit would be reduced by 1.5 percent of the national income, coolly decided to leave a hole of 4.5 to 5 billion guilders -- 1.5 percent of the national income -- with a further increase of the public tax burden.

Reminder

The nation, provinces, municipalities, drainage districts, housing associations, social funds and soon also the public utility companies -- the 2.5 billion guilders in investments necessary for the accelerated conversion of electric power stations from gas to coal was only included by the cabinet as a reminder entry in the job opportunity plan -- will absorb an ever increasing share of the monetary and capital markets. And yet, the Van Agt II administration believes that it can also still afford to limit the offer on those markets by turning over 900 million guilders less in civil service retirement contributions to the General Civil Retirement Fund. The Van Agt I administration also wanted to do this. But it at least also proposed simultaneously to reduce the pensions for civil servants. The Van Agt II administration goes only so far as to say that it will be discussed with the civil servant unions.

Thus, the real deficit of the public sector is once again in danger of increasing by larger amounts and percentages than it would be decreased. And if economic development is also disappointing, which is probable, then nobody should be surprised if the figure turns out to be above 10 percent, more than /30 billion/ [in italics] guilders. That is to say, with an interest rate of 10 percent, an increase of the interest liability of more than 3 billion guilders; more than 200 guilders per Dutchman, 500 to 600 guilders per working Dutchman, more than 1000 guilders per working Dutchman in private business, 5 percent of his average purchasing power. Van Agt referred to something like this in his government declaration as "living at the cost of the future." It is starting to look more like politics without a future.

8463

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CAUSES OF MOUNTING DEFICIT ANALYZED

Madrid EL PAIS in Spanish 6 Dec 81 pp 54, 55

[Text] Public sector deficits are one of the hallmarks of present-day Treasury operations, as well as a major conditioning factor in Spain's economy. Moreover, society is divided into various opposing political positions in its assessment of deficit spending. It has thus become difficult to hold an orderly discussion on the extent of deficit spending, its effects and the real possibilities for controlling it. The purpose of the two articles by the Economic Outlook Team is to contribute to such an orderly discussion of the public deficit. The team is headed by Professor Fuentes Quintana and made up of Professors Barea Tejeiro, Lagares Calvo and Raymond Bara and economists Julio Alcaide Inchausti, Jose Garcia Lopez, Miguel Valle Garagorri and Jose Maria Perez Blanco. The first of the two articles will attempt to clarify the language relating to the public deficit, its causes and the reactions it prompts. A subsequent article will address its effects and treatment.

The Public Deficit/1

Any analysis of the public deficit requires some prior clarification of the language involved. We want to know who we are talking about (responsibility for the deficit), what we are talking about (the definition of the deficit) and how much we are talking about (its absolute amount and a relative assessment of that amount). Only after clarifying these points will we be able to discuss the causes of Spain's public sector deficit and the reactions that it has triggered.

Who: The Agent of the Public Deficit

Any analysis of the public sector must have a frame of reference, and it is not always the same. Complexity is the most important feature of government activity, and this complexity is manifested in the variety of agents engaged in public revenue and expenditures programs. Therefore, the deficit could apply to many agents of government activity: the State, the central administration, local bodies, Social Security, public administrations, public enterprise, the public sector.

There are two reasons why the deficit of each individual component of the public sector is of minor interest. The first is that the deficit of each agent has little to do with its own operations. Transfers among agents are of major importance. Secondly, the important thing in analyzing the public deficit is its total amount, because this tells us about its true impact on the economy.

Therefore, the problem boils down to determining whether the deficit should include all public sector agents, both administrative and enterprise-related, or whether, on the contrary, it should be restricted to public administrations. The difference between these two approaches is that the public sector consists of the activities of public administrations plus the activities of public enterprise. Thus, if we were to talk about the entire public sector, we would have to combine the activities of public agents that perform completely different functions. Some render collective services (public administrations) and, therefore, do not operate in the marketplace, while others (state-run companies) necessarily operate in the market. This heterogeneity of public sector activities would detract from the significance of a total, aggregate figure for its deficit.

Public administrations encompass all of the activities of the central administration, Social Security and local government, the government activities that are characteristic of any organized society. Moreover, public administrations are the frame of reference for the concept of the public deficit in most countries, which facilitates comparisons, which would be more difficult if we used other definitions.

So then, we are going to be talking about the deficit of public administrations. This term includes all agents that render collective services, which, therefore, are not destined for sale, and/or are engaged in national income or wealth redistribution operations, and whose main funds come from compulsory payments, that is to say, taxes and contributions.

What: The Definition of the Public Deficit

There are three common definitions of the public deficit: the one used in national accounting, the one used in cash-basis accounting and total public administration financing from the Bank of Spain.

In terms of national accounting, the public deficit means the financing needs of public administrations. This is the net funding that the other sectors of the economy provide the agents included in the public administrations sector. In accounting terms, it is equivalent to the capital account deficit.

In cash-basis accounting, the public administrations deficit consists of the gap between current and capital revenues and expenditures, excluding, therefore, financial transactions. The difference between this and financing requirements is the net difference between unrealized revenues and unpaid expenditures.

There is a third definition of the deficit: public administration financing from the Bank of Spain. Although this is not a good definition of the public deficit, because of its immediate monetary effects, it is a very important variable in ascertaining economic developments.

The most frequent definition and the one we will use in our remarks on the public deficit is the first one, in other words, the deficit in national accounting terms.

The latest figures we have available are from 1980, and they tell us that the public deficit hit a respectable 515 billion pesetas, which is 3.4 percent of the GDP and 12.8 percent of the nonfinancial revenues for that fiscal year. These numbers will be higher for the current fiscal year. Specific data are still lacking, but all forecasts put the public deficit at around 800 billion pesetas, which is equivalent to some 4.5 percent of the GDP.

The Public Deficit: How Big and Since When

The Spanish Treasury has thus returned to its historical constant: ongoing public deficits, which have caused it continual headaches and had major unsettling effects on the course of the economy. The return to deficit spending is recent; it occurred in 1976 and has to do with the economic crisis. The crisis, which began in other countries in 1973, did not hit Spain until 1976, but since then the deficits have been constant and growing.

We should stress this relationship between economic crisis and deficit spending. The deficit can be understood only in light of the crisis, and it can be reversed only in the framework of an across-the-board approach to the problems involved in the crisis.

Basic, rough evidence of the relationship between the crisis and deficit spending can be developed if we ask ourselves what would have happened with Spain's economy if it had continued to grow at a cumulative annual rate of 4.5 percent from 1973 to the present. This is lower than the average rate during the 1960's but represented a feasible goal for many countries, ours included, in the 1970's. The answer is that if we had maintained that rate, if the nonfinancial revenues of the public administrations had amounted to the same percentage of the GDP as they do today and if inflation and public spending had been the same as after the crisis, the Spanish Treasury would not have posted a deficit. Specifically, it would have recorded a surplus of 136.512 billion pesetas in 1980. All of this has obviously not come to pass, which is very regrettable. The economic crisis did not permit it. The most important external feature of the crisis has been the drop in the GDP growth rate, and its most obvious financial consequence has been budget deficits.

Thus, the public deficit is a recent development having to do with the economic crisis, which does not, however, totally and satisfactorily explain its amount. These two traits of Spain's public deficit are complemented by another three:

- Its considerable absolute and relative importance.
- The centrality of its causes.
- Its unexpectedness, which indicates that it is out of control.

Mounting Public Deficits-Declining Economic Growth

The amount of the public deficit in Spain and the rate at which it has been growing have become major problems for the economy. It is a well-known fact that when the extent of any economic variable exceeds certain limits, it becomes a qualitatively different variable.

We would have to agree that over the last few years the public deficit has reached major dimensions and is therefore undeniably important in financial and economic terms. First of all, continual and mounting deficits require financing from among the other components of the economy, and this creates considerable problems and difficulties for a poorly developed financial system like ours, to the extent that we could well assert today that the country's number one financial problem, in view of its impact and repercussions, is the public deficit.

Our sizable deficits have been accompanied by low GDP growth rates, which make them more difficult to absorb and manage. The mounting public financing needs that deficits entail are all the more costly and difficult when available annual output and income are lower. It is likewise difficult to collect more revenue to narrow the deficit when the growth of production and income is on the decline, because the tax burden (and with it the cost of government operations) would have to increase.

Moreover, the stale argument that Spain's public deficit should be compared with that of other countries no longer holds out the relief (which was never well-founded) that it might have offered in the past. The fact is that the public deficit trend in Spain is moving in a different and worrisome direction compared to the main industrialized countries of Europe. Spain's public deficit surpassed the European figures in 1979 and has been on the increase ever since. In contrast, the public deficits of the main European countries as percentages of the GDP have tended to level out and even to diminish, and thus the difference between their situation and ours continues to grow. Although we are not the only country with a sizable public deficit, the only countries that are ahead of us, Italy and Ireland, are in far from enviable economic and financial shape.

The Causes of the Public Deficit

What has the public sector done to cause this increase in its deficits? The answer to this question is to be found in the sharp rise in the current expenditures of the public administrations. Government spending as a percentage of the GDP has risen from 23.3 percent in 1973 to 32.5 percent in 1980,

a 9.2 percent jump. In turn, the breakdown of this increase in current government expenditures is markedly uneven. Redistribution outlays account for 68.5 percent (6.3) of the 9.2 percent rise, and increased public consumption is responsible for the remaining 2.9. In contrast, public investment in fixed capital has seen its relative share in the GDP decrease (-0.5 percent), while capital transfers by the public administrations sector have risen 0.5 percent. To put it in other terms, the state has spent its available funds (its rising revenues) on current account items (redistribution and public consumption), and government savings, which were sizable in 1973, have vanished.

There are three main elements in the growth of redistribution outlays: pensions, whose share in income has risen 3.3 percent; unemployment insurance (1.9 percent) and development subsidies (one percentage point of the GDP).

Public consumption expenditures can be broken down into two areas: the goods and services furnished by the state, and the components of the production costs of these services. Public goods and services involve three functions: health care and social services, education and the rendering of collective services by local government. If we look at the cost structure for these services, we will see that personnel outlays, which are up 2.6 percent as a percentage of the GDP, account for more than 80 percent of the cost of these public services. The remainder consists of the procurement of goods and subsidiary services (0.3 percent).

Spain's public deficits have been caused by the trend in government current expenditures (basically transfer payments), which it has not been able to cover either with increased revenue from income and capital taxes under the fiscal reform or with the spectacular jump in the unfair and inefficient de facto tax called Social Security contributions. The meager revenue from indirect taxes on output and consumption rounds out this explanation of the causes of public deficits.

The Unexpectedness of Spain's Public Deficit

Spain's public deficits are not the result of careful financial planning. On the contrary, they have been unexpected budgetary developments. Perhaps the best proof of this assertion is the huge gap between the estimated and actual budget deficits.

The numbers speak so clearly that we need not comment on them. We would merely point out that such a huge gap causes people not to take budget forecasts seriously. Living with a budget whose forecasts are that far off is tantamount to living without a budget, in other words, without the discipline that the financial operations of the public administrations sector always require. Thus, the deficit is beyond the Treasury's control. To put it differently, the deficit controls the Treasury, not the other way around.

The unplanned nature of the deficit, its mounting size and the limitations of our financial system explain (though in no way justify) why the Treasury has made preponderant use of its account with the Bank of Spain. Over the past 4 years, the bank has financed two-thirds of the public deficit, which has produced a series of additional effects on top of the ones stemming from its very size.

Reactions to the Deficit

There are two main reactions to our ongoing and mounting deficits. There is the radical approach, which denounces deficits and demands an end to them, and there is the fatalist attitude, which acknowledges their deep-seated social, economic and political roots and passively accepts their continuation. These reactions to deficits are equally dangerous and reprehensible. It is worthwhile discussing and criticizing them so that we can make constructive suggestions on how to reverse our budget deficits.

A public deficit like Spain's, which swells year after year, which is due to rising current expenditures, which is not used to finance a much-needed increase in public investment and which in a matter of years wipes out the additional revenues of a fiscal reform, seems to possess all the features of a reprehensible development, and its cause, the public sector, has to be denounced. This is what the people who have what we call a radical attitude towards the deficit are saying. Often, in fact, the deficit is portrayed to public opinion as if someone other than us, other than consumers, workers and employers (perhaps the technocratic entity that economists call public administrations), is, on his own account and at his own risk, squandering money or else, due to lack of organization, resources or will, not securing the necessary available revenues. A call then goes out for an end to such administrative waste, which culminates in deficits, and the politicians are denounced as the sole culprits. This view of the public deficit, which is embellished with the accumulated rhetoric about the inefficiency of public administrations, is unacceptable because it is unrealistic, regardless of how attractive it might be because it blames a minority of politicians and bureaucrats running the government and exonerates the rest of us. Obviously, however, the public sector merely reflects the total decision-making by citizens in any organized society.

On the other hand, a fatalistic attitude towards deficits, though tempting, is unacceptable as well. Those who have adopted this attitude view deficits in a completely different manner than those who condemn them. To the fatalists, deficits are an unavoidable consequence of the approach to government finance in a pluralist democracy. The various social groups pressure for increased government spending (or lower taxes), and these social pressures are encouraged by and channeled through the political parties, which are always receptive to any budgetary request that might bolster their presence and power. Thus, in a pluralist democracy, all segments of society, all economic groups and all political parties push government spending upward, call for tax breaks and swell the deficit by demanding programs that benefit them, because the price of getting one's own programs through is support for those of others.

The basic operating principle with regard to government spending or taxes in a democracy is similar to the one in the old Neapolitan game: "I'll support your programs if you support mine."

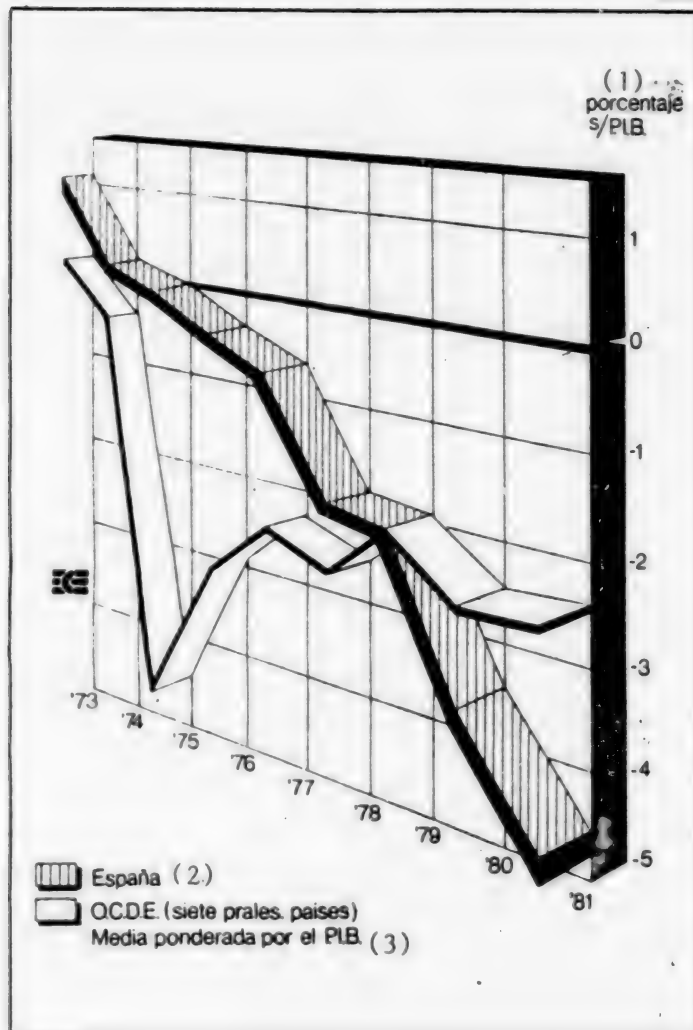
Resisting the social and political force that lies behind the expansion of government spending, that multiplies and justifies tax breaks for various economic and social groups and that ultimately leads to mounting public deficits, is a task that the deficit fatalists consider impossibly utopian. If Spanish society wants deficits, the treasury minister is not going to deny us our wishes.

Based on this attitude, an organized society winds up turning its Treasury into a de facto adding machine. Request after request, duly channeled through the political parties, become new budget items throughout every fiscal year. Not a day passes without a bill calling for additional government spending or a cut in taxes. Thus, when September arrives and outlays are totted up, they have become enormous.

Hence, the art of budgeting consists of adding up expenditures, subtracting potential revenues over the following year and squaring accounts by cutting public investment, thus yielding an increasingly indefensible and disruptive deficit that mounts year after year.

The fatalist attitude towards budget deficits is the logical ultimate conclusion of an approach to decision-making on government spending and taxation that allows the various social and political groups to influence and dictate such decisions free from any restrictions or restraints. Given these premises, it is difficult to control our budget deficits.

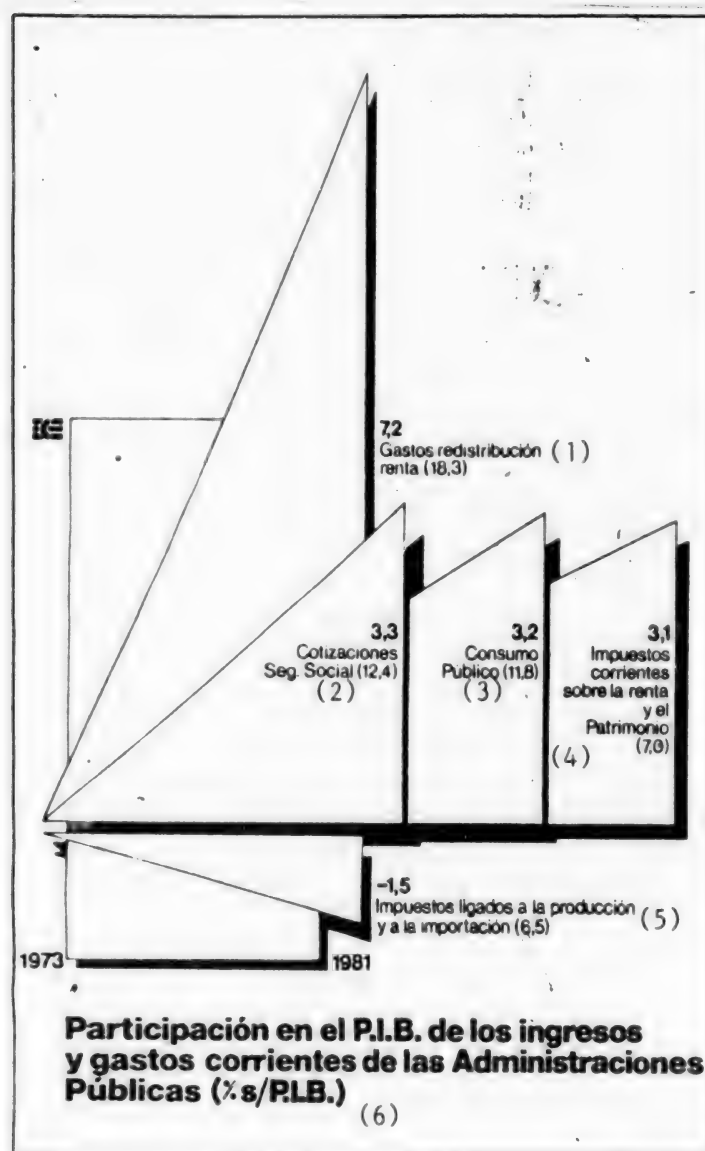
An efficient approach to the public deficit demands ongoing political resolve and social discipline in pursuing an economic policy under which deficits can again fulfill their economic purpose. Until this comes about, we will continue to hear costly and futile rhetoric from the radicals who denounce deficits and the fatalists who, aware of the forces behind them, jump on the deficit bandwagon. One upshot of the social ascendancy of these two attitudes towards deficits is certain: the continued, directionless worsening of the public deficit.



Spain's public deficit has gotten worse during the economic crisis. The increase was especially sharp in 1979. The deficit trend in Spain contrasts with that in the main industrialized countries in the OECD, whose weighted average is shown in the graph. As we can see, the frequent assertion that the public deficit in the European countries is larger than ours is no longer true, and if we look at the budget deficit trend in Spain and Europe, the gap is as glaring as it is worrisome.

Key:

1. Percentage of the GDP
2. Spain
3. Seven main OECD countries (weighted average percent of GDP)



The causes of Spain's budget deficit are clearly revealed in the items in the graph. The substantial increase in current expenditures is the driving force behind the deficits, as redistribution outlays and, to a lesser extent, public consumption outlays have swelled uncontrollably. Public investment in fixed capital has decreased as a percentage of the GDP.

Revenues have not kept pace with current public expenditures. Social Security contributions (a regressive, anti-jobs tax) and income and capital taxes have risen, thanks to the fiscal reform, but the latter two are far below total Social Security contributions (7 as opposed to 18.3 percent of the

GDP. In the absence of a much-needed reform and adversely affected by the crisis, indirect taxes have become less important as sources of revenue.

In light of what the graph tells us about the causes of Spain's budget deficit the guidelines for getting it under control seem obvious.

Key:

1. Income redistribution expenditures
2. Social Security contributions
3. Public consumption
4. Current income and capital taxes
5. Taxes tied to production and imports
6. Current revenues and expenditures of the public administrations as percentages of the GDP

8743

CSO: 3110/53

LATEST STATISTICS SHOW UNEMPLOYMENT UP

Madrid EL PAIS in Spanish 5 Dec 81 p 43

[Text] There were 1,877,800 unemployed persons in Spain at the close of the third quarter of 1981, according to the Labor Force Survey conducted by the National Statistics Institute (INE). The third quarter data cover the 16 and over population and indicate an unemployment rate of 14.57 percent of the labor force, with some 94,000 more people jobless than in the previous quarter.

If to the strict definition of the unemployed we add the marginally employed, total joblessness approaches the mythical two million figure, 1,969,000 to be exact. Thus, when the fourth quarter figures are in, 1981 will probably close with more than two million persons out of work, which would confirm the most pessimistic forecasts on employment trends.

The Labor Force Survey data, as reported by the Efe agency, are as follows: gainfully employed, 12,886,800; employed in the strict sense, 10,939,100; marginally gainfully employed, 69,800; unemployed, 1,887,800. According to these numbers, the gainfully employed represent 34.03 percent of the total population, and the unemployed represent 14.57 percent of the total labor force.

The jobless breakdown by sectors is as follows: agriculture, 112,500; industry, 325,200; construction, 367,300; services, 363,500, and first-job seekers, 709,300.

The working population has increased 0.67 percent over the previous quarter, while unemployment is up 5.29 percent. The biggest rise was among first-job seekers (14.22 percent), while there was a drop of 19.7 percent in agriculture. Some experts have pointed out that the unemployment figures are highest in precisely the third quarter of the year because of the young people who complete their studies and go out looking for their first jobs.

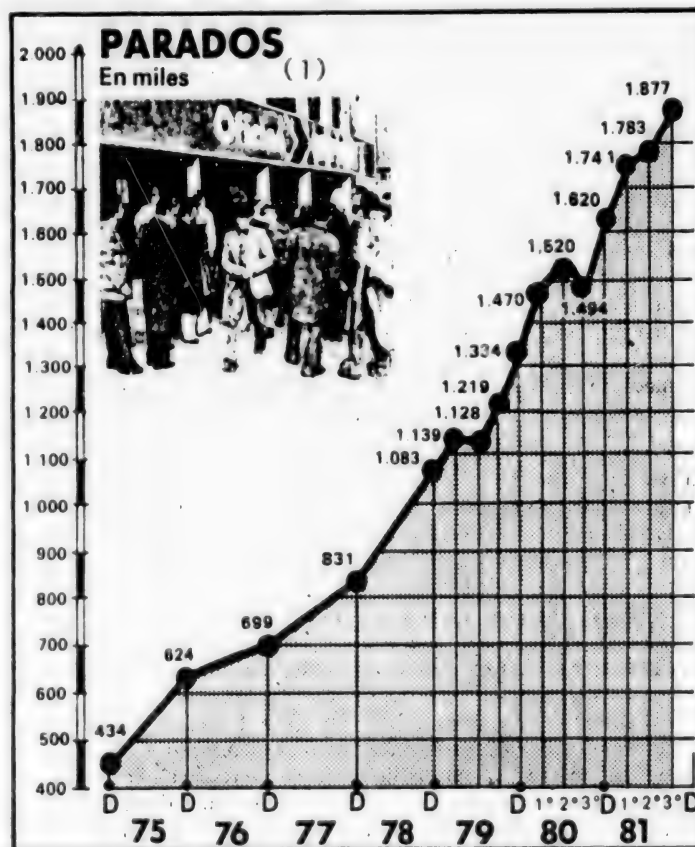
ANE's 100,000 Jobless

An increase of 94,000 in the number of people without jobs, compared to the previous quarter, is generally of little comparative significance because

seasonal adjustments are not made. In this instance, however, it is significant because of the National Employment Agreement (ANE). ANE's first article says that "by virtue of this agreement, the government will establish an economic policy to fulfill its pledge to keep the total gainfully employed population at the same level at the close of 1982 as it was when this agreement was signed" (this past 5 June). "This pledge entails the creation of an estimated 350,000 new jobs, to make up for the possible decline in employment over the period in question." Some 100,000 jobs have been lost since ANE was signed, and the last quarter of this year and all of 1982 remain to be figured in.

The customary comparison is with the same quarter the previous year. From the third quarter of 1980 to the third quarter of 1981, in other words, over the past 12 months, unemployment was up by 383,000, a daily rise of more than 1,000. It is still a mystery how with Spain's GDP growth rates, the economy is going to generate enough jobs so that the government, the unions and the employers association can keep their ANE pledge to create 350,000 jobs.

The unemployment figure cited by the INE (which until now has been a branch of the Economy and Commerce Ministry) is higher than the one given by the National Employment Institute for the first 10 months of the year, which was 1,649,098.



Key:

1. Unemployment (in thousands)

HISTORY OF DECLINE OF FRANCOPHONE SOCIAL CHRISTIANS

Brussels LE SOIR in French 3 Dec 81 p 2

[Text] Christmas, 1945. The Social Christian Party [PSC] takes the place of the pre-war Catholic Bloc. This change was much more than a simple change of name. In order to deal more effectively with Flemish nationalism, the Bloc moved shortly before the war to reorganize on a linguistic basis: a Catholic social party for French-speakers and a "Katholieke Volkspartij" for Dutch-speakers. The PSC took on a unitary structure, like all the parties at the time. The two wings of the Bloc had officially recognized the four estates ["standen"]: the Federation of Catholic Societies (bourgeoisie), the Union of Middle Class Christians, "Boerenbond" and Agricultural Alliance, and the League of Christian Workers. The PSC wanted to be a homogenous party without any bonds to class-based organizations.

Finally, and most important, while the Bloc was most often no more than a mouthpiece for the Church in the political domain, the PSC claimed to be nondenominational. Let us look at this excerpt from the Christmas program: "It is a Christian party because it wants to build on humanistic values which are the foundation of our Western civilization. Historically, they came to us through Christianity. However, in the contemporary world they are the commonly held property of both believers and non-believers. Do we not all maintain that what is of most value in the world is man; that all men are essentially equal; that neither the state nor powerful individuals have the right to subjugate the least among us; that the ideal to be realized is an ideal [world] in which each individual can fully and freely be himself?"

That position, however, did not dispel all equivocation. In the first election campaign after the war, 18 months after the Christmas Congress, the PSC was given strong support by Cardinal Van Roey and the Catholic hierarchy. That intrusion of the Church into the campaign played no small part in the failure of another Christian party, the Belgian Democratic Union (UDB), which was more liberal.

With 42.5 percent of the votes, the PSC emerged the winner in the elections of 17 February 1946. Its success was not due solely to the position taken by the cardinal-primate. The social Christians had moved more effectively than the socialists and the liberals to carry out in only a few months a profound renovation of their ranks and their activity. Under the impetus of their president, Auguste de Schryver, they succeeded in winning over a large portion of the voters with their modern and dynamic rhetoric.

Speaking of that time when the PSC was in a veritable state of grace, Canon Aubert notes: "It also enjoyed wide sympathy among numerous supporters of Leopold III, because of the very clear position it had taken on the monarchical question, and in addition got votes from the former Rightwing extremist parties--Flemish nationalists and monarchists compromised by their collaboration with the occupying power--whose voters were recruited primarily from Catholic circles. These two sources of support, which were responsible for the mounting success of the PSC in the early years after the war, and which enabled it in 1950 to win an absolute legislative majority, were nevertheless to have detrimental consequences for the party over the longer term and would prevent it from becoming the labor party envisaged at the start by its most dynamic leaders."

In reality, the PSC became gradually cut off from ever broader sectors of the Resistance. In addition, the overlap between religion and politics extending over the whole monarchical question contributed to making the PSC an exclusively Catholic party and repelled nonbelievers in the socialist and liberal camps. It is also worth noting that it was in 1950, when the monarchical question was at its height, when the Catholic community was rallying around Leopold III, that the PSC took its greatest share of the vote (47.7) since pure and simple universal suffrage was introduced. It has never since matched that record.

In the 4 years between 1950 and 1954 Belgium was to have two homogenous governments, headed by Joseph Pholien and Jean Van Houtte. Worn down by governing and, more importantly, by the coalition formed by its opponents, the PSC went into the opposition to recuperate from its wounds under the shepherding of Theo Lefevre, who took over the leadership of the party after a brief interlude under Baron Francois-Xavier van der Straeten-Waillet.

By dismantling one by one all the measures taken by the previous legislature to establish free education, and by developing a solid official network, the socialist-liberal government of Achille Van Acker got into a head-on battle with the PSC at the time of the school war. Once again the Catholic community mobilized in support of a party whose nondenominational character was once again completely forgotten. Worried that a resurgence of Flemish nationalism might weaken the PSC on election day, Cardinal Van Roey advised the faithful not to give their votes to the young "Volksunie" party. The efforts were successful, since the PSC climbed back to 46.5 percent of the vote. Since it had an absolute majority in the Senate, it was in the driver's seat.

Gaston Eyskens, author of the "key-plan" presented to the voters, broadened his majority by bringing in the liberals after governing without partners for some months. But the experiment was not to last through the end of his term. The Congo crisis and the major strikes of the winter of 1960-1961 brought the government down. President Theo Lefevre had already prepared the ground for a reversal of alliances in his famous Louvain speech: the PSC was openly opting for a coalition with the PSB [Belgian Socialist Party].

Thenceforth the rules of the political game would change. The party would try to adapt. We will see how well in issues to come.

9516

CSO: 3100/164

AKEL STATEMENTS ON EEC ASSAILED

Nicosia I SIMERINI in Greek 29 Nov 81 p 3

[Article by Al. Konstandinidis: "Is Yugoslavia an Organ of Imperialism? The EEC, the Gang of Robbers, Fandis, EDEK and the Atlantic Policy of Mitterrand"]

[Text] At a press conference held the day before yesterday on the occasion of his country's national holiday, Mr Yop, Yugoslav ambassador to Nicosia, referred to the EEC and his country's relations with it. Mr Yop said, "The EEC is a reality, a tremendous reality," and added that Yugoslavia has signed a special agreement with the EEC.

Speaking in parliament a few days ago, Andreas Fandis and Dinos Konstandinou, AKEL deputies, maintained that the EEC was a "predatory association," "an imperialist gang of robbers," from which one should stay far away. According to the AKEL deputies, the EEC is nothing other than a "predatory association of multi-nation monopolies whose primary political goal is the disengagement of countries from the socialist community and their incorporation in the EEC countries." (KHARAVGI, 20 November 1981)

Yugoslavia is a communist country, even though Fandis and Konstandinidis had at one time characterized Yugoslavia as a den of American imperialism and Tito as a hired agent of imperialism and the CIA. How then is communist Yugoslavia maintaining relations with the EEC gang of robbers and, in fact, trying to expand these relations, as Mr Yop said the day before yesterday? Is it possible for a communist country to have special agreements with "a predatory association of multi-nation monopolies?"

Besides Yugoslavia, which Fandis does not exclude considering as being crypto-imperialistic, Romania too is now seeking to conclude a special agreement with the EEC gang of robbers. And Romania is at any rate a communist country--unless Mr Fandis has doubts about that country also.

However, whereas the EEC countries are prospering despite the international economic recession noted, the CEMA countries, which Fandis regards as models, are nearly all facing a frightful economic crisis. This crisis will be felt especially this winter in the Soviet Union where "a de facto food rationing system, especially as concerns meat products, has already gone into effect, a system which in a few big Soviet cities is much stricter than that adopted in Poland." (INTERNATIONAL HERALD TRIBUNE, 26 November 1981: Leopold Unger, "Communism, Missing the Soviet Deadline.")

This year's Soviet grain harvest was even worse than the worst estimates. It is 61 million tons below the 236 million ton goal. For this reason, the Soviet Union is being forced to import more grain than ever this year. It is estimated that Moscow will purchase 43 million tons of grain from the United States between now and next June. (TIME, 30 November 1981, p 19: "Big Troubles on the Farm") It is evident that the AKEL leadership's stance vis-a-vis the EEC is not dictated by a rational study of facts but by an outdated dogmatism derived from the close economic interests which AKEL, as an economic block, maintains with CEMA countries. It is not by chance that Mr Dinos Konstandinou is responsible for the so-called AKEL economic office which handles various trade and other undertakings coming under AKEL's control.

What is more difficult to explain is the EDEK leadership's position on the EEC issue which coincides completely with that of the AKEL leadership, as was expressed in yesterday's comments of the party newspaper. (TA NEA, 28 November 1981: "EEC and the Right")

The EDEK leadership identifies the EEC with the right although its strongest partners at this time are the socialist government of Mr Mitterrand and the social-democratic government of Mr Schmidt. Greece too is an EEC member, and as it appears from yesterday's statements by Mr Papandreou, the new socialist government of Greece does not intend to pull out of the EEC but is simply asking for a special status in the community.

Moreover, Mr Papandreou repeated the day before yesterday that his model is Mr Mitterrand and French socialism. It is also known that Mr Mitterrand is a supporter of both the European community and the Atlantic policy. If therefore it is correct to say that EDEK considers Papandreou's socialism as its model, it must gradually move toward a policy which would favor the EEC, and who knows maybe the Atlantic alliance....

5671

CSC: 4621/85

COMMENTS ON PAPANDREOU'S FOREIGN POLICY

Nicosia I SIMERINI in Greek 3 Dec 81 p 1

[Unsigned editorial: "Papandreou's Realization"]

[Text] "We are in a difficult period from the standpoint of international developments. And we have made an obligation vis-a-vis our people with one thing in mind: the interests of our people and our nation. In the short time that we have been the government, I want to assure you that I have arrived at a very significant realization. And I will not say it in order to attack or criticize others. The strength of people united in the defense of their national and sovereign rights and their national independence is enormous. Regardless of how small they are numerically-speaking, if they have the will, they can do it. What I have lived through these days shows how strong Greece is, not her prime minister."

The strength of a united people is tremendous. This is the significant realization of Mr Papandreou. The above quotation is from a recent speech of his. It underscores the significance of the unity of a people in the defense of their national and sovereign rights. Mr Papandreou, of course, is not the first who has had that realization. It can be maintained that it is a common fact...And yet the international and local conditions in which the Greek prime minister is reiterating his "significant realization" add special meaning.

Mr Papandreou is a restless man. He is filled with action, ideas and imagination. He wants to build a new Greece like his brave old father...No one can dispute the goodness of his intentions. And even more so, no one can dispute his deep desire to have Greece respected by her friends and feared by her enemies. In this attempt, he announces positions and makes decisions which really bring about enthusiasm but at the same time cause well-founded speculation.

Based on the promises and assurances of the new prime minister, the foreign policy of the country is taking the following orientations: Concerning NATO and the EEC, it is seeking new arrangements which obviously create an atmosphere of uncertainty for future relations of Greece with the West. On the other hand, a serious and decisive opening to the Arabs and generally-speaking to the unaligned countries is being sought. Now that Tito is gone, he evidently aspires to play a leadership role in the Third World. Even in Greek-Turkish relations, he wants to make Turkey realize that the Greece of Papandreou cannot assume a passive stance on Turkish claims in the Aegean.

With these orientations, an immediate problem is created. Greece must have allies. If her allies are to be the western countries--militarily and economically--then the unaligned countries cannot be allies at the same time. Greece could maintain excellent relations with the unaligned countries, as she does now, but the latter cannot help Greece militarily and economically. If again with the leading role of the unaligned, Greece were to be gradually disengaged from NATO and the EEC, then the international and local status quo in the Eastern Mediterranean and Balkan region changes. And this change is not lacking in dangers. Besides this general speculation, there is the more specific smoldering problem of Greek-Turkish relations. What could happen, if unscrupulous allied interests were to strengthen the Turkish in their positions, while Papanireou was pressuring for a change in Greek military and economic relations with the West? The answer to this is a very difficult one. It appears that the American leaders are not anxious to accept changes of this kind. And no one can avoid the thought that at a critical moment their reaction would be to use Turkey in a "disciplinary-type" action against Cyprus or the Aegean!....

At this point it could once again be said: But is it possible in 1982 that such unscrupulous things could be done by allies? Unfortunately, the answer is categorical. There are many examples of such "punishable" allied behavior in history... Mr Papandreu, it is certain, is well aware of both the facts as well as the possibilities and probabilities. And the awareness of the unity of the people to defend the sovereign rights of the nation will flow from this awareness. And if it should be thus, then this means that the Greek prime minister knows what he is saying and understands all the existing difficulties in all their dimensions in promoting his strong foreign policy.

We here with the experience of the recent political history of Greece and more specifically with the bitter experience of the last 30 years, judge that the unity of a people does not suffice. It is a basic presupposition for the progress and the defense of a nation. However, it is not only one. And sometimes not the basic presupposition. Much discretion is also needed. And proper planning. And systematic work. And especially proper appreciation of the dangers and a sure and effective concern for preventing them.

Mr Papandreu said that "what he recently lived through shows how strong Greece is, not her prime minister." A strong Greece needs a strong prime minister. The prime minister is the reflexion of the people. And the people reflect their leader. If the leader is a wolf and fox, then the people are wolf and fox. If the leader is a sheep, then the people are sheep...Assuredly, Mr Papandreu has wanted to give the people needed self-confidence. He himself said that he had it...Now that both exist, the nation is expecting accomplishments. And both Greece and its leader will be judged by these accomplishments.

5671

CSO: 4621/85

CONSERVATIVE PAPER BACKS NONSOCIALIST GOVERNMENT

PM291501 Copenhagen BERLINGSKE TIDENDE in Danish 20 Dec 81 p 8

[Editorial: "A New Government"]

[Text] Anker Jorgensen is on his way to forming yet another Social Democratic government. This is the goal he hopes to reach in the course of tomorrow. If he succeeds, it will be a government which has more or less binding agreements with the Socialist People's Party and the Radical Liberals. If he succeeds, the prime minister is preventing the nonsocialist [ikke-socialistisk] parties from taking the initiatives which could lead to a bourgeois [bourlig] government. Before Anker Jorgensen reaches this stage the Folketing should not deceive itself as to what sort of government it is that is being formed. And the general public should be left in no doubt as to what the consequences will be.

The point of departure for a new Social Democratic government is a major defeat for the Social Democratic Party in the Folketing election. A government based on a party which lost nine seats will be weaker than the government which it succeeds. If it nevertheless remains possible for the Social Democrats to continue in government, a high price will have to be paid. The price is that the center of gravity will be pushed a fair bit to the left. Anker Jorgensen, who has always talked of cooperation involving the parties of the center, has abandoned this endeavor and clearly placed his government on a course which will be even more socialist than any society has been since the days of the red cabinet [reference unknown]. It will be a government which will have even greater difficulties than its predecessor in bringing about cooperation in the Folketing. Even before it is formed it will have created a front against a number of parties. And it will be a government making itself even more dependent on the strong will of the trade union movement, which could force the government into actions which would be a major provocation to the Folketing. The fact that the Radical Liberals are adding their Folketing seats to the formation of such a government can only be interpreted as a fatal misassessment of how working conditions in the Folketing will be in the future.

It will be a government formed under such circumstances that it will be met with bitterness in the parties which see themselves as the proponents of the necessary cooperation. At present the reaction of the Center Democrats is a natural result of the fact that the party won a major victory because of its promise to promote

cooperation around the political center in a showdown with socialist endeavors. For the bourgeois opposition it will be a government which digs trenches over which no bridge can be built, it would seem.

The result of the Folketing election gave two pointers. The first was that the Social Democrats--Anker Jorgensen's present government--were given a vote of no confidence from which they should draw the right conclusions. The second was that it seems natural that the nonsocialist parties should be given an opportunity to see if they could form a joint government, which could replace Anker Jorgensen's collapsed cabinet. If the negotiations end in the formation of a government which is a waker extension of what went before, society has wasted a good chance of a better future.

CSO: 3106/39

POLL SHOWS PESSIMISM, CHANGING POLITICAL LOYALTIES

Hamburg DER SPIEGEL in German 7 Dec 81 pp 85, 87, 89, 91, 94, 95, 97, 99, 101

[Unattributed article: "Anxiety Gap and Declining Confidence"]

[Text] Do the Germans still know what they want ? It seems there is some doubt about that.

If Bundestag elections were held next Sunday, the CDU/CSU would get an absolute majority and there would be a change of government in Bonn. A poll conducted for DER SPIEGEL by Emnid institute of Bielefeld during the first half of October found that 50 percent of the vote would go to the CDU/CSU. At 36 percent, the SPD would reach a 20-year low and the FDP's 8 percent would not save the coalition from defeat, either. A subsequent Emnid poll conducted in November came up with practically the same set of figures (CDU/CSU: 49 percent; SPD: 36 percent; FDP: 9 percent; Greens: 5 percent).

But then again the Germans do not really want to bring about the change they appear to desire, if they were handed their ballots today.

This was clearly shown by their responses to Emnid's question: "Would you personally welcome a change of government prior to the 1984 Bundestag elections which would bring in a coalition composed of CDU/CSU and FDP or would you rather the SPD-FDP coalition held until 1984 ?"

53 percent came out against the change; only 45 percent were for it.

Nor did most of those polled believe the Bonn coalition would indeed break up. When asked to look ahead by Emnid ("What does your intuition say...") two-thirds thought the SPD-FDP coalition would hold until 1984.

Why is it that the Germans do not want change in Bonn, even though it corresponds to their political desires ? Anyone wishing to find an answer to that question must first familiarize himself with their basic attitudes.

The Emnid poll conducted for DER SPIEGEL supplies much data on this subject. A sample of 2,150 men and women over 18, representing the 44 million inhabitants of the FRG, were given just under 100 questions to answer.

There were questions on the neutron bomb, on the NATO modernization decisions and other central themes of the peace and arms issue (which were dealt with in the first two summary articles). In addition, there were batteries of questions on attitudes toward the political parties and leading political figures, on possible coalitions and on controversial issues such as nuclear power and the occupation of empty housing. Still further questions dealt with the anxieties of the Germans and their ideas of the future.

There are three firm conclusions to be drawn from the five volumes of Emnid print-outs.

The basic mood of the Germans is one of pessimism in almost every regard; more pessimistic in fact than at any time during the past three decades.

The Germans consider it possible or even likely that the near and far future will be even darker than the present.

Doubt in their own ability to influence events is greater now than it ever was.

Confidence that there will be no Third World War has declined. Between 1979 and 1981, the 80 percent majority which considered such a war "unlikely", has dipped to a 47 percent minority which still holds to this optimistic position. The number of those, on the other hand, who consider a world war "possible" has risen from 17 to 46 percent. Those that consider it "likely" have increased from 2 to 6 percent during the same time frame.

As for responses to questions on the economy, they have experienced a reversal in just a few months as a comparison between this SPIEGEL poll and an earlier one conducted in April 1980 shows. Now, almost four times as many men and women call the overall economic situation "bad" or "very bad." But only one out of seven as compared to one out of two still refers to economic conditions as "very good" or "good."

Their personal economic position is viewed in a more critical light as well. Only 36 percent, as compared to 57 percent, still call it "good" or "very good."

Public opinion researchers consider the assessment of overall and personal economic conditions an important indication of the opinion climate. As a rule, personal conditions are seen in a more favorable light than conditions overall. If the gap between the two is slight, the basic mood is likely to be optimistic; if it is large, the researchers refer to an "anxiety gap." This means that many persons are then gripped by the fear that difficult conditions overall may affect their own situation adversely.

Last year, there was almost no "anxiety gap" because the difference was extremely small. 57 percent thought their personal situation was good; 48 percent felt the same way about conditions generally and negative responses to the two questions—"bad" and "very bad"—were below 10 percent. But today, the gap between the two is wide (as shown in the graph: One Out of Three Calls Economic Conditions Bad or Very Bad).

Judging by what the Germans think lies ahead, they are still doing very well even in these bleak times. This assessment is reflected in responses to question dealing with "prospects for the next few years."

Most of those polled (56 percent) believe that "the standard of living will decline" from now on. Only a minority of 39 percent thinks it can be maintained and a mere 5 percent consider it likely that the standard of living will continue to rise as it has over the past three decades.

The views are not much different concerning prospects over the long run and not just a few years.

It is generally thought that the tenet to which many generations of parents subscribed—that their children should be "better off some day"—no longer applies. In fact, only 14 percent thought it still did, with the remainder evenly divided. Some thought the "children would live much like today's grown-ups" but others believed that "the children will be worse off."

The sample did not expect either the Bonn government or the opposition to be able to stop or reverse this trend.

As for the job being done by government, Emnid called on the sample to assign school grades to performance as usual. The difference between the results obtained in April 1980 and October 1981 is quite apparent. Only 12 percent instead of 33 percent gave good marks to the Schmidt government; the number of those rating its performance as "deficient" or "unsatisfactory" climbed from 13 to 30 percent in the meantime.

But even though the sample viewed the government in a more critical light than ever since Schmidt's assumption of power and would call for a change, if elections were now held, its view of the opposition has not appreciably changed. Even today, only 37 percent as against 34 percent in 1980 believe the opposition capable of doing "a better job."

In other words, the Germans, most of them, would vote for another government but relatively few believe things would then change for the better.

This discrepancy between wishful thinking and reality is reflected in other attitudes and assessments as well.

One out of two sympathizes with the peace movement and is even prepared to support it. But when given a choice of three responses on what effect the existence and the activities of the peace movement might have, those polled generally selected the most pessimistic response: "It makes very little difference how strong the peace movement is—it will not be able to exert an influence on re-armament or disarmament."

There is also a great deal of skepticism concerning the Geneva disarmament talks. 39 percent thought "the negotiations between the U.S. and the USSR will fail and lead to a new arms race."

Confidence is on the wane, as the responses to the so-called disenchantment questions indicate. 59 percent agreed with the following statement: "Our large political parties are no longer capable of solving the multifarious problems of our society." And as many as 78 percent agreed to "most politicians have no real idea of what the little people are thinking."

No matter whether those polled belonged to the Greens or the Strauss voters in Bavaria; whether they had just come of age or were long retired; whether they had not learned a trade or were academics, between 64 and 90 percent of each segment evaluated by Emnid agreed with the statements.

The way the sample viewed the political parties, it does not look as if this disenchantment can be made to disappear. Nonetheless, the difficulties with which the CDU/CSU and the FDP have to contend cannot be compared to the low to which the SPD has fallen.

At no time except in March and April of 1974 has the so-called Sunday question ("what party would you vote for, if the Bundestag election were held next Sunday?") which Emnid has been asking every month since December 1964 drawn as poor a response for the SPD as now. The earlier low was reached shortly before the resignation of the then chancellor Willy Brandt.

If one compares the 1980 election results with the present SPIEGEL poll figures, the SPD has lost 7 percent of its voters while the CDU/CSU gained 6 percent. These shifts by themselves amount to something of a political landslide. But not all the voters lost by the SPD have switched to the CDU/CSU; they have turned in other directions as well over the past few months. Klaus-Peter Schoeppner, who ran the Emnid poll for DER SPIEGEL, estimates that some 15 percent of the electorate has switched party allegiances since the election.

The SPD has become so unpopular that the pollsters had to change their working methods. Over the years, they had to correct the party figures in order to obtain realistic findings. The reason was that far more people than actually voted for the SPD said they did when asked. But more recently, the number claiming to have voted for the SPD more nearly corresponds to the actual total. The SPD slump is primarily due to four factors, Schoeppner feels, citing the data at hand.

The first of these is that "19 percent of young voters between 18 and 25 years of age vote for the Greens. These young voters, which used to come along as a matter of course to fill up the SPD ranks, are now missing."

The second factor is that "a kind of defiance mentality is gaining ground. One out of eight voters who think of themselves as 'left' now opts for the CDU/CSU. Only a year ago, there were half that many. In other surveys, we were able to identify two of their arguments: the SPD should regenerate itself in the opposition and the CDU/CSU should be given an opportunity to govern and to show that it is no better equipped to deal with the existing problems."

The two remaining factors go to explain the much higher losses among voters who consider themselves to be centrist, according to Schoeppner. For one thing, "the current disputes about missiles, nuclear power and the occupation of empty housing tend to polarize the SPD electorate most of all. No matter what position the SPD takes on any of these issues, it alienates a larger number of voters than any other political party that takes a firm stand. Intellectual voters are turned off by the frequently employed chameleon tactics of presenting oneself as left to those of the left and as right to those on the right."

The fourth factor is that "the more bleakly economic prospects are viewed, the more of a role status and prosperity-oriented thinking, which are attitudes typical of the CDU/CSU, tend to play. As a consequence, voters of the political center, particularly workers and the 30 to 40 year-olds, tend to give equal preference to the CDU/CSU and the SPD."

The problems confronting the SPD also become apparent when the ratings given to their leading politicians on the popularity scale are reviewed. The scale contains ratings between -5 and +5 which means that shifts of as little as half a point can reflect substantial losses or gains.

Chancellor Schmidt has lost some of his popularity, but still ranks ahead of FDP chief Hans-Dietrich Genscher and the CDU chief Helmut Kohl and far ahead of SPD chief Willy Brandt and CSU chief Franz Josef Strauss, the latter two placing at near zero on the popularity scale.

The SPD has lost far more in popularity than Schmidt himself. Although the party's popular reputation declined both among its supporters and its opponents, the comparable figures for Schmidt differ substantially.

The differences are due to the disputes about missiles and the NATO modernization decision. Among the Greens, who are out-and-out foes of rearmament, Schmidt's rating dropped from +1.4 to -0.6; but among CDU/CSU voters his popularity rose, even if only slightly.

The missile dispute has made far more Germans aware of the problems existing between the chancellor and his own party. Up until then, only a small, politically involved segment of the population took note of the internal tensions. For most, Schmidt was the one politician who towered over his own party and as such an attractive figure for existing and potential voters. But now, Schmidt and the SPD are no longer able to hide their differences on crucial issues. With regard to the NATO resolution, for example, a majority of the sample thought Schmidt was in favor of it, but only a minority thought the SPD as a whole did so, too.

In the eyes of the public, Schmidt has moved to the right while Brandt moved to the left. He is the only party chief popular among the Greens (who preponderantly view themselves as belonging to the "left"), more popular in fact than among the voters of the FDP, the coalition partner.

It is difficult to say whether this two-headed approach of Willy Brandt on the left and Schmidt on the right will work out to the SPD's advantage. The party may also create the impression that it is trying to win back lost voters by speaking half-truths out of both sides of its mouth.

Another problem becomes apparent when one looks at the ratings given to Erhard Eppler, the SPD politician most often mentioned in connection with the peace movement. Among the Green voters, Eppler is almost twice as popular as Brandt is among SPD voters, for example; but these again are the very voters who no longer view Eppler as belonging to the party. In terms of popularity, he ranks lower in their eyes than FDP ministers Otto Count Lambsdorff and Gerhart Baum.

As for the CDU/CSU, it is presently suffering from only one personnel problem, albeit a major one. Although many voters are turning to this party, the marks given to party chief Helmut Kohl have not improved much.

He has made relatively small gains in popularity and the response to the so-called chancellor question is downright humiliating for him.

"Suppose, there were a direct popular ballot for chancellor," the question reads, "and you had to choose between Helmut Kohl as the candidate of the CDU/CSU and Helmut Schmidt as the candidate of the SPD—which of the two would you vote for?"

Kohl received 41 percent—only 3 percent more than the then candidate for chancellor Strauss got 1½ years ago and even today 17 percent of CDU/CSU voters would rather give their vote to Schmidt.

In a contest with other CDU political leaders, Kohl does not come out any better. His Kiel rival Gerhard Stoltenberg is more popular than he and so is even Walther Leisler Kiep, who attained greater popularity than Kohl, though he has only been a member of the government of Lower Saxony, a second-rank political figure in Bonn and most recently the CDU's top candidate for the Hamburg mayoralty.

Even worse, both Stoltenberg and Kiep are more popular than Kohl among voters of the FDP, a possible coalition partner. If the FDP were to form a different coalition at some point, it would have to take note of the fact that its voters would seem to prefer Stoltenberg to Kohl as chancellor.

The FDP seems to be the only party represented in the Bundestag that has no problems. It has much the same number of adherents as it did on election day and has thus stabilized its gains of the past few years. Its chief Genscher is less controversial and more popular than ever both within the party and among the public. FDP ministers Baum and Lambsdorff are respected even by their political opponents on the right and on the left: Lambsdorff among CDU/CSU supporters and Baum among the Green voters.

And if public opinion is any indication, the FDP is going to remain in government. This came out in responses to the coalition question.

"Normally, Bundestag elections do not result in a majority for any one party which makes it necessary for two parties to form a coalition," the question read. "In case the next Bundestag election turns out this way, too, which coalition would you prefer?"

The responses were: only 14 percent for a grand coalition. As for coalitions involving the FDP, 43 percent were in favor for a CDU/CSU-FDP coalition and 41 percent for an SPD-FDP coalition.

Among FDP voters, however, a coalition with the SPD is far more popular than one with the CDU/CSU—by 62 as against 32 percent.

For some weeks now, public debate has revolved around the question of whether the FDP /should/ change partners. Any doubts whether this actually /could/ be done without having to countenance the loss of many voters and running afoul of the 5 percent hurdle the leadership of the party has tried to dispel with the help of a supposedly internal study—since made public with the assistance of the party—by its own secretary-general Guenter Verheugen.

It is the report on an opinion poll conducted for the FDP by the generally unknown "Institute for Praxis-Oriented Social Research" (Ipos). Ipos happens to be another name for the Mannheim "Elections Research Group" which is responsible for data supplied to ZDF's monthly "political barometer" program.

Ipos tried to determine under what conditions FDP voters would accept a CDU/CSU-FDP coalition and how they would react to the FDP's committing itself to a coalition with the CDU/CSU prior to the next elections.

On the basis of the study, Verheugen came to the conclusion that the FDP could change partners without risk. It would lose "one-third of its voters, mostly to the SPD and gain only one-quarter, mostly from the CDU/CSU" which would amount to a loss of only "10 percent of its total strength."

"FDP voter attitudes toward the coalition issue," Verheugen concluded, "do not compel us to adopt or to reject any specific course of action."

But by using such mathematics, the FDP secretary-general fell into the very trap about which the Ipos researchers had warned in their report which in fact has remained confidential until now.

Due to the particular problems arising from "responses to hypothetical questions, the size of gains or losses in voting strength in case of acceptance of a CDU/CSU-FDP coalition can only be considered approximations."

The researchers also pointed out that "one would have to assume...that responses of those saying they would not vote for the FDP in such an instance would be more realistic than of those saying they would." The Ipos experts then repeated their findings in the very last sentence of their report. "The FDP is far more likely to lose votes to the SPD in such a situation than to gain the votes of former members of the CDU/CSU."

Now this is something Verheugen never mentioned; otherwise he would have had to forget about his mathematical trick.

The fact is that the researchers have no way of determining whether as small a party as the FDP will still manage to clear the 5 percent hurdle in case it switches coalition partners. All they can really do is determine political attitudes of the FDP voters.

This is what Emnid did in the SPIEGEL poll, addressing more questions than Ipsos to twice the number of persons.

The Emnid results indicate that the FDP has the most mobile voter population of any party by far.

Only 7 percent of the FDP voters, but 19 percent of SPD voters and as many as 25 percent CDU/CSU voters call themselves "convinced supporters" of the FDP.

45 percent of the FDP voters, 44 percent of CDU/CSU voters and 52 percent of SPD voters "are in general agreement with the party but differ with it on some issues."

43 percent of the FDP voters, but only 29 percent of CDU/CSU voters and 28 percent of SPD voters "are inclined to accept the political views of the party but differ with it on many issues."

There were appreciable differences, too, on the question of traditional versus swing voters. A mere 23 percent of the FDP adherents as against 62 percent for the CDU/CSU and 67 percent for the SPD said that their vote "always went to this party." When questions on political issues were asked, FDP voters in most instances tended to agree with the voters of their coalition partner rather than with those of the opposition.

Thus, confidence in American policies has increased among CDU/CSU voters since the inauguration of President Reagan, while confidence among FDP and SPD voters has declined. Wehner's statement to the effect that CDU/CSU foreign and security policies are "inimical to detente" is acknowledged by voters of both coalition parties in almost equal measure (by 59 and 51 percent, in part conditionally and in part without reservation).

A majority of FDP voters is against the neutron bomb; but a majority of CDU/CSU voters is for it, either without regard to disarmament negotiations or after such talks have failed.

Even when the question centered on the existing coalition, FDP voters did not respond like a husband or wife immediately prior to a divorce.

They are even more satisfied with the "FDP influence on government" than in April a year ago. 38 percent now say the influence is "too slight" as against 55 percent then. 34 percent of SPD voters, on the other hand, consider the FDP's influence "too great."

On some foreign policy issues, the opinions of FDP and CDU/CSU voters are somewhat similar as for instance regarding a withdrawal of U.S. troops from Europe (which 71 percent of both would deplore). And on the question of whether Moscow is serious about detente, only 33 percent of the FDP and the CDU/CSU voters say that it is as against 45 percent of SPD voters. For the most part, they voiced doubt and mistrust.

They also agree on the role of the state but the difference between them and SPD voters is minimal.

68 percent of FDP voters, 69 percent of CDU/CSU voters but also 58 percent of SPD voters say that "citizens' self-help and responsibility must be supported more vigorously." Only a minority agreed with the contrary statement: "Government assistance to its citizens must be expanded further."

In their attitude toward life, however, SPD and FDP voters tend to agree. 51 percent of SPD voters, 56 percent of FDP voters, but 64 percent of CDU/CSU voters come out in favor of the performance principle: "I view my life as a task to be performed with all the strength at my command. I wish to achieve something in life, even if it takes much hard work." About one out of three CDU/CSU voters but almost one out of every two voters for the coalition parties hold to the opposite view: "I want to enjoy my life and not work harder than necessary. You only live once and the main thing is to get something out of life."

Indications overall are that the majority of FDP voters would have to rethink things, if the party decided to switch coalition partners and it is hard to say just how many of them would be prepared to do so.

A possible decisive problem for the continued existence of the FDP was disregarded entirely by the Ipsos researchers when they considered the various coalition possibilities.

It is the Franz Josef Strauss problem. The CSU chief is not popular with FDP voters who give him an extremely low score of -1.8. Even if Strauss were merely given a cabinet post in a coalition government, a large number of FDP voters would rather switch parties than help the CDU/CSU win the election.

There has been a change in FDP voter responses to the question of whether their party "should commit itself to a coalition with either of the two large parties prior to the election or whether it should keep its options open until after the election is held."

Previously, a majority was in favor of the FDP committing itself prior to the election; now opinion is divided: 48 percent are in favor and 52 percent are against.

Now the FDP might run into serious trouble no matter with whom it agrees to form a coalition, if the missile dispute becomes more acute and results in a polarization of views.

Even now, the opinions of opponents and active supporters of the peace movement tend to diverge more than between CDU/CSU and SPD voters.

Given differences of opinion between Bonn and Washington, 84 percent of the opponents are in favor of adjusting to U.S. policies but 81 percent of the supporters would rather dissassociate themselves.

73 percent of the opponents believe the U.S. are honestly trying to establish military balance; 66 percent of the supporters are convinced the United States is aiming to achieve superiority.

80 percent of the opponents say the Soviet Union is abusing the West's readiness to reach an understanding; 76 percent of the supporters say Moscow is serious about detente.

79 percent of the opponents are against the establishment of a neutral Germany; 70 percent of the supporters are for it.

Even with regard to entirely different issues, such as nuclear energy, the radicals' ordinance or the occupation of empty houses, the views of these two groups generally diverge.

These are not simply contrary opinions on this or that issue but views of the world which have become irreconcilable.

At this time, both the opponents and the active supporters of the peace movement constitute minorities of just under 10 percent each. If the dispute about missiles and neutron weapons should intensify—for instance if they begin to be stationed in the FRG—many, if not all citizens will join one side or the other.

Such a polarization would not only be dangerous for the FDP. It could also do a lot of harm to the SPD because the dispute within its own ranks would then intensify as well and would be likely to split the party in two.

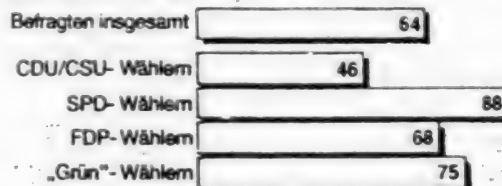
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Hält die Koalition bis 1984?

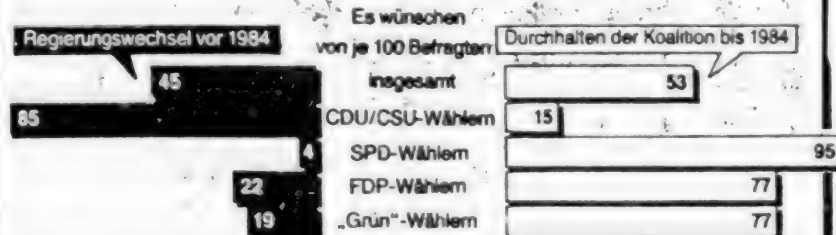
Emnid stellte bei der SPIEGEL-Untersuchung zwei Fragen zur derzeitigen Regierungskoalition zwischen SPD und FDP: „Was vermuten Sie, wird die Koalition bis 1984 halten, oder wird sie vorher auseinandergehen?“

Und: „Würden Sie einen Regierungswechsel vor 1984 begrüßen?“ Die Antworten unterschieden sich je nach Parteipräferenz. Es erwarten, daß die Koalition bis 1984 hält, von je 100

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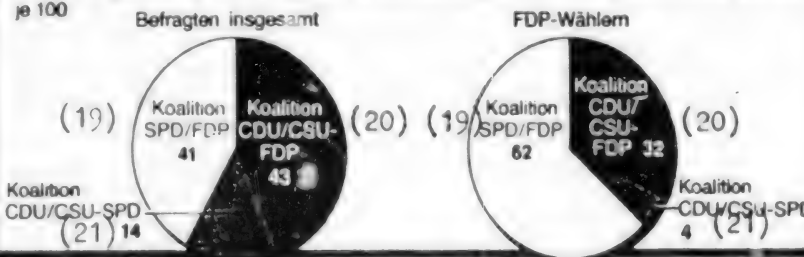
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Wer mit wem?

Auf die Frage, welche Koalition „Ihren Wünschen entsprechen würde“, entschieden sich von je 100



Key:

- Will Coalition Hold Until 1984 ?
- Emnid posed two questions regarding the existing government coalition of SPD and FDP: "Do you think the coalition will hold until 1984 or will it break up ?" The second question was: "Would you personally welcome a change in government prior to 1984 ?" The answers differed according to party preference. The percentages for those expecting the coalition to hold were:
- Total sample
- CDU/CSU voters
- SPD voters
- FDP voters
- "Green" voters
- Percentages of those desiring a change prior to 1984
- Percentages of those who believe coalition will hold until 1984
- Total sample
- CDU/CSU voters
- SPD voters
- FDP voters
- "Green" voters

15. Who to Form Government with Whom ?
16. Percentages for question which coalition "would correspond to your wishes ?"
17. Total sample
18. FDP voters
19. SPD/FDP coalition
20. CDU/CSU-FDP coalition
21. CDU/CSU-SPD coalition



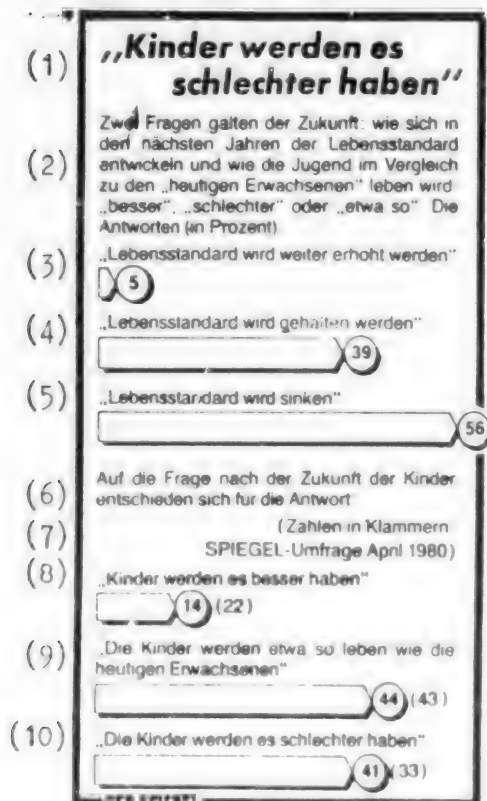
Key:

1. Majority for Government only Among Young People
2. Party preferences differed according to age of respondents
3. CDU/CSU
4. SPD
5. FDP
6. "Greens"
7. Total sample
8. 18 to 21 year-olds
9. ages 22 to 25
10. 26-29
11. 30-39
12. 40-49
13. 50-64
14. 65 and over



Key:

- One out of Three Calls Economic Conditions Bad or Very Bad
- In April 1980, 9 percent of respondents as against 33 percent now considered "economic conditions overall" to be "bad" or "very bad." Personal fortunes are also viewed in a more critical light.
- April 1980 poll
- October 1981 poll
- "Very good" or "good"
- "Fifty-fifty"
- "Bad" or "very bad"
- Personal situation
- Economic conditions overall



Key:

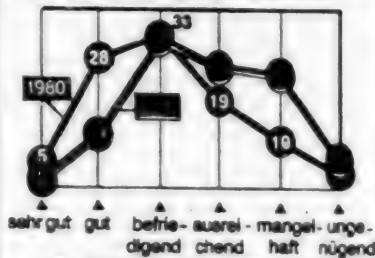
- Our Children Will Be Worse Off
- Two questions dealt with the future—how the standard of living will develop over the next few years and what living conditions will be like for young people as compared to "today's adults"—"better," "worse" or "about the same." Percentages were:
- "Living standard will rise"
- "Living standard will be maintained"
- "Living standard will decline"
- Percentage responses to questions concerning children's future
- SPIEGEL April 1980 poll figures in parenthesis
- "Children will be better off"
- "Children will live much like today's adults"
- "Children will be worse off"

(1)

Mehr Unzufriedenheit mit der Regierung...

(2)

Emnid ließ die Befragten in Schulnoten ausdrücken, „wie zufrieden oder unzufrieden Sie mit der jetzigen Regierung in Bonn sind“. Der Vergleich der 1981er Daten mit den Ergebnissen einer SPIEGEL-Umfrage im April 1980 zeigt stark gewachsene Unzufriedenheit:



(3)

(4)

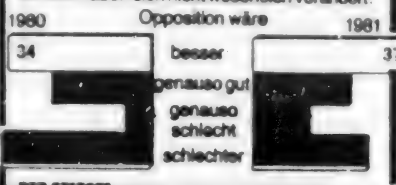
Durchschnittsnoten
1980: 3,1 · 1981: 3,8

(5)

... aber kaum mehr Hoffnung auf Opposition

(6)

Außerdem wurde die Frage wiederholt, „ob die CDU/CSU-Opposition es besser machen oder schlechter machen würde oder genauso gut oder genauso schlecht wäre“. Die Ansichten haben sich nicht wesentlich verändert:

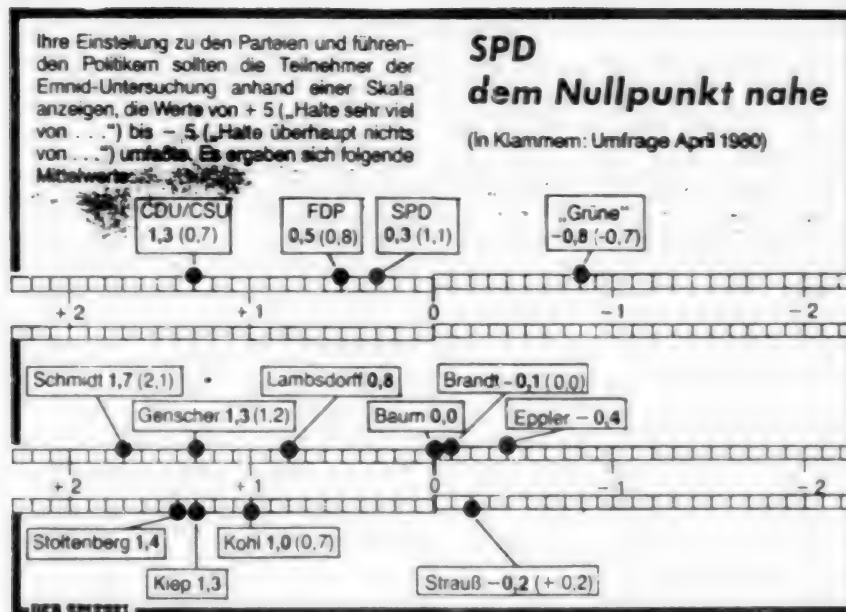


(7)

Key:

1. Growing Dissatisfaction with Government
2. Emnid asked those polled to come up with school grades to denote "satisfaction or dissatisfaction with the present Bonn government." 1981 poll data indicate a sharp rise in dissatisfaction as compared to the SPIEGEL poll of April 1980.
3. Very good; good; satisfactory; passing; deficient, unsatisfactory
4. Average grades
5. But No Faith in Opposition Any Longer
6. The question was asked once again "whether the CDU/CSU opposition would do a better or worse job or just as good or just as bad a job." The responses were much the same.
7. Opposition would be better; just as good; just as bad; worse

(2)



Key:

1. SPD Close to Zero (April 1980 poll figures in parenthesis)
2. Those polled were asked to give their evaluation of political parties and politicians, using a value scale ranging from +5 ("I think a great deal of...") to -5 ("I think absolutely nothing of..."). The following median findings were obtained:

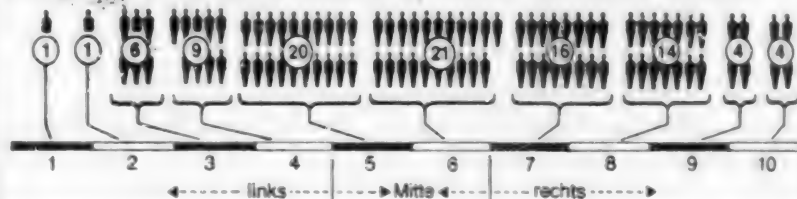
(1)

Die Grünen sind rot

(2)

Die Ermittlung-Bitte an die Befragten: „Links“ und „rechts“ sind vielgebrauchte Begriffe, um einen politischen Standpunkt zu kennzeich-

nen. Bitte ordnen Sie sich selbst ein. „1“ bedeutet sehr weit links, „10“ bedeutet sehr weit rechts.“ Die Verteilung (in Prozent):



(3)

(4)

Im Folgenden sind zusammengefaßt die Befragten mit Angaben von 1 bis 4 als „Linke“.

mit Angaben von 5 bis 6 als „Mitte“, mit Angaben von 7 bis 10 als „Rechte“

(5)

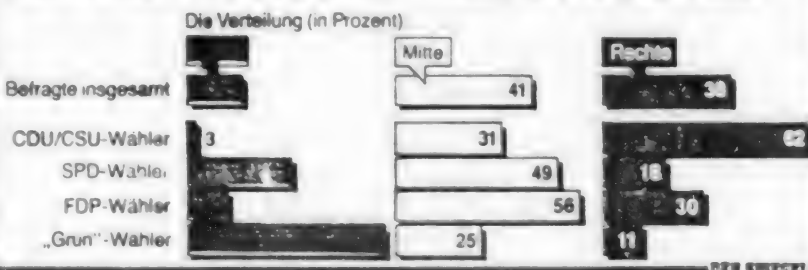
(6)

(7)

(8)

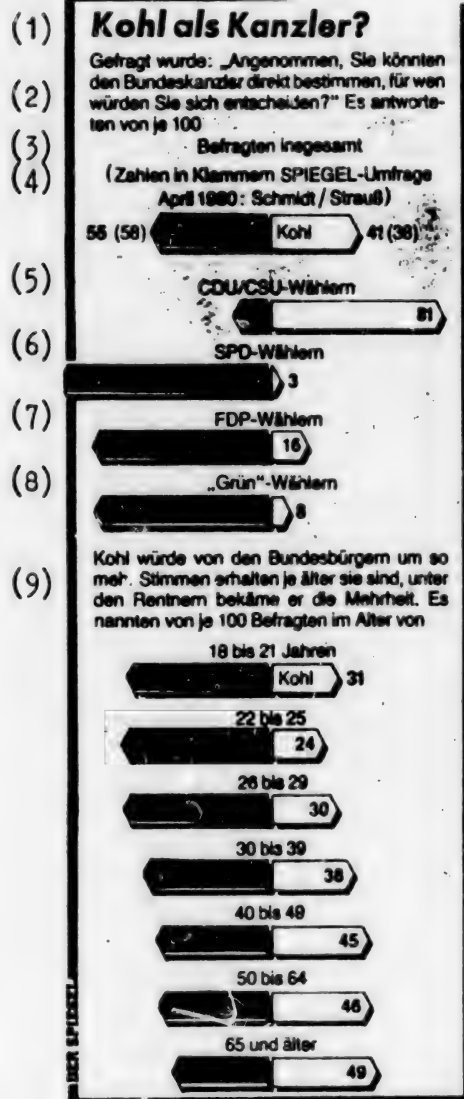
(9)

(10)



Key:

1. The Greens Are Reds
2. "'Left' and 'right' are commonly used terms to define one's political point of view. Please classify yourself on this scale, ranging from '1' designating the very far left to '10' designating a position very far to the right."
3. Left...center...right
4. In the three columns below, those in the 1-4 bracket are classified as left; those between 5 and 6 as center and those from 7 to 10 as right.
5. Percentages for left, center, right
6. Total sample
7. CDU/CSU voters
8. SPD voters
9. FDP voters
10. "Green" voters



Key:

1. Kohl for Chancellor ?
2. The question was: "Suppose there were a direct popular ballot for chancellor—for whom would you cast your vote ?"
3. Total sample
4. Percentages below (figures in parenthesis: April 1980 SPIEGEL poll on Schmidt/Strauss)
5. CDU/CSU voters
6. SPD voters
7. FDP voters
8. "Green" voters
9. The older the voters, the more votes Kohl would get. Among retired persons, he would obtain a majority of the vote. Percentages by age groups listed below:

(1)

Soll sich die **FDP** festlegen?

Die meisten FDP-Anhänger denken darüber, wie ihre Partei sich „vor der nächsten Bundestagswahl verhalten soll“, anders als andere Bundesbürger. Gefragt wurde, ob die FDP sich auf die Koalition mit einer der beiden anderen Parteien festlegen oder ob sie offenlassen soll, „mit wem sie nach der Wahl zusammengehen will“. Es entschieden sich für die Antwort

„FDP soll sich auf eine Koalition vorher festlegen“ von je 100

(3)

Bundesbürgern insgesamt

(4)

FDP-Wählern

(5)

„FDP soll offenlassen, mit wem sie zusammengehen will“ von je 100

(6)

Bundesbürgern insgesamt

(7)

FDP-Wählern

DER SPIEGEL

Key:

1. Should FDP Commit Itself ?
2. Most FDP supporters differ with other segments of the population on what their party "should do prior to the next Bundestag election." The query was whether the FDP should come out firmly in favor of a coalition with one political party or the other or whether it should keep its options open "as to whom to join in a coalition after the election." The percentages favoring "an early FDP commitment to a coalition" were:
3. Total sample
4. FDP voters
5. Percentages favoring "FDP should keep options open" were:
6. Total sample
7. FDP voters



Key:

1. Has East Attained Greater Superiority Than Ever Before ?
2. Since 1967, Emnid has polled its sample on relative military strength. In 1981, more Germans than in previous years were convinced the East is superior.
3. East and West equal in strength
4. East is stronger
5. West is stronger

(1)

Kommunisten als Minister?

(2)

Gefragt wurde: „Der französische Staatspräsident Mitterrand hat vier Kommunisten als Minister in seine Regierung aufgenommen. Wird dadurch die Sicherheit in Europa gefährdet oder nicht gefährdet?“ Es wählen von je 100 Befragten insgesamt die Antwort

(3)

„Sicherheit wird gefährdet“

68

(4)

„Sicherheit wird nicht gefährdet“

(5)

es meinen „die Sicherheit wird nicht gefährdet“ von je 100

59

(6)

CDU/CSU-Wählern

77

(7)

SPD-Wählern

75

(8)

FDP-Wählern

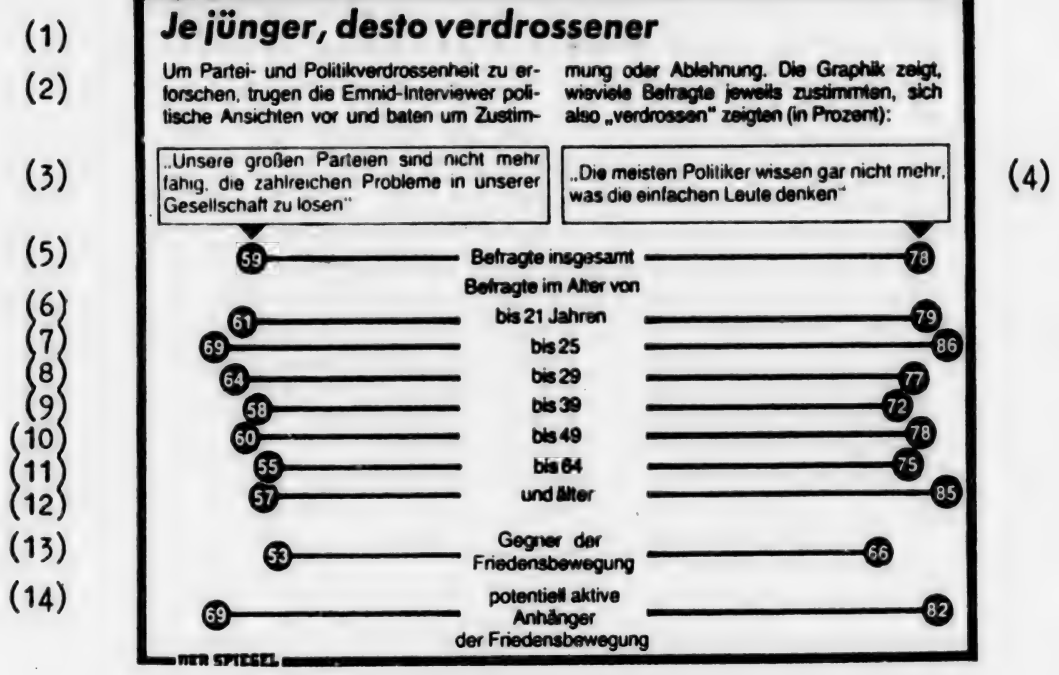
88

(9)

„Grün“-Wählern

Key:

1. Communists in Government ?
2. "French President Mitterrand took 4 communists into his cabinet. Does this pose a threat to European security or not ?" Percentage responses were :
3. "Threat to security"
4. "No threat to security"
5. Percentage breakdown of those saying "no threat to security"
6. CDU/CSU voters
7. SPD voters
8. FDP voters
9. "Green" voters



- Key:
1. The Younger, the More Disenchanted
 2. To determine the degree of disenchantment with political parties and politics in general, Emnid posited certain political views and asked respondents whether they agreed or disagreed. The chart below shows the percentages of those agreeing, i.e. voicing disenchantment.
 3. "Our large parties are no longer able to solve the multifarious problems of our society."
 4. "Most politicians have no idea what the little people are thinking."
 5. Total sample
 6. Up to 21 years of age
 7. Up to 25
 8. Up to 29
 9. Up to 39
 10. Up to 49
 11. Up to 64
 12. Older than 64
 13. Opponents of peace movement
 14. Potential peace movement activists

(1)

Für oder gegen Hausbesetzer?

(2)

Gefragt wurde: „In einigen Städten kam es in letzter Zeit zur Besetzung leerstehender Häuser durch junge Wohnungssuchende. Billigen Sie das Besetzen leerstehender Häuser oder lehnen Sie es ab?“ Es zeigten sich Meinungsunterschiede je nach Alter, und die Meinungen korrelieren mit der Einstellung zur Friedensbewegung. Es antworteten von

(3)

je 100

„lehne es ab“

(4)

Befragten

insgesamt

69

im Alter von:

(5)

18 bis 21

Jahren

54

(6)

22 bis 25

51

(7)

26 bis 29

66

(8)

30 bis 39

64

(9)

40 bis 49

74

(10)

50 bis 64

72

(11)

65 und

älter

79

(12)

Gegnern der Friedensbewegung

88

(13)

potentiell aktiven

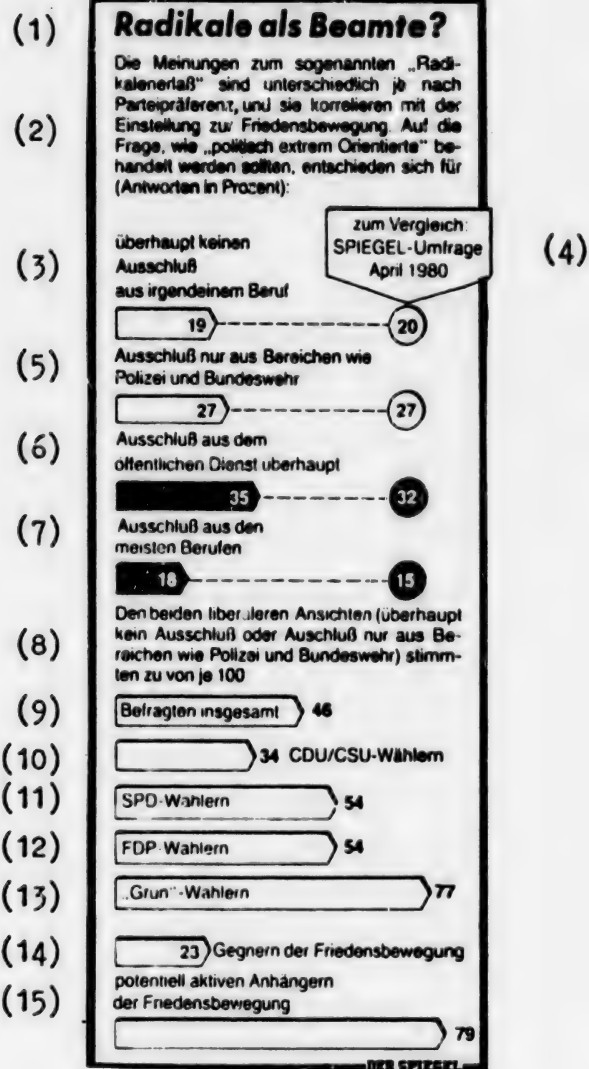
Anhängern der Friedensbewegung

28

THEM SPEZIELL

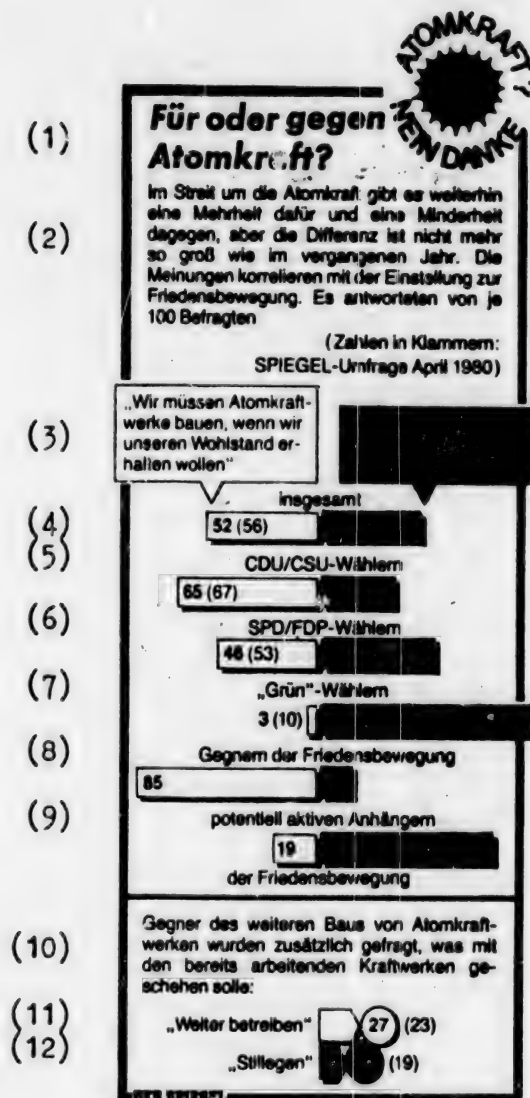
Key:

1. For or Against House Occupiers
2. "Recently, empty houses in several cities were occupied by young people in need of a place to live. Are you for or against such actions?" Responses differed according to age and correlated with attitudes toward the peace movement.
3. Percentages "for" and "against"
4. Total sample
5. 18-21 years of age
6. 22-25
7. 26-29
8. 30-39
9. 40-49
10. 50-64
11. 65 and over
12. Opponents of peace movement
13. Potential peace movement activists



Key:

1. Radicals as Public Servants ?
2. Responses to the so-called "radicals' ordinance" differ according to party preference and correlate with attitudes toward the peace movement. Percentage responses to the question of how "persons with extreme political leanings" should be treated were:
3. Should not be excluded from any field of endeavor
4. Comparable figures for April 1980 SPIEGEL poll
5. Should only be excluded from field like police, Bundeswehr
7. Should be excluded from most fields of endeavor
6. Should be excluded from public service jobs altogether
8. Percentage figures for two liberal responses (should not be excluded at all; should be excluded only from police, Bundeswehr)
9. Total sample
10. CDU/CSU voters
11. SPD voters
12. FDP voters
13. "Green" voters
14. Opponents of peace movement
15. Potential peace movement activists



Key:

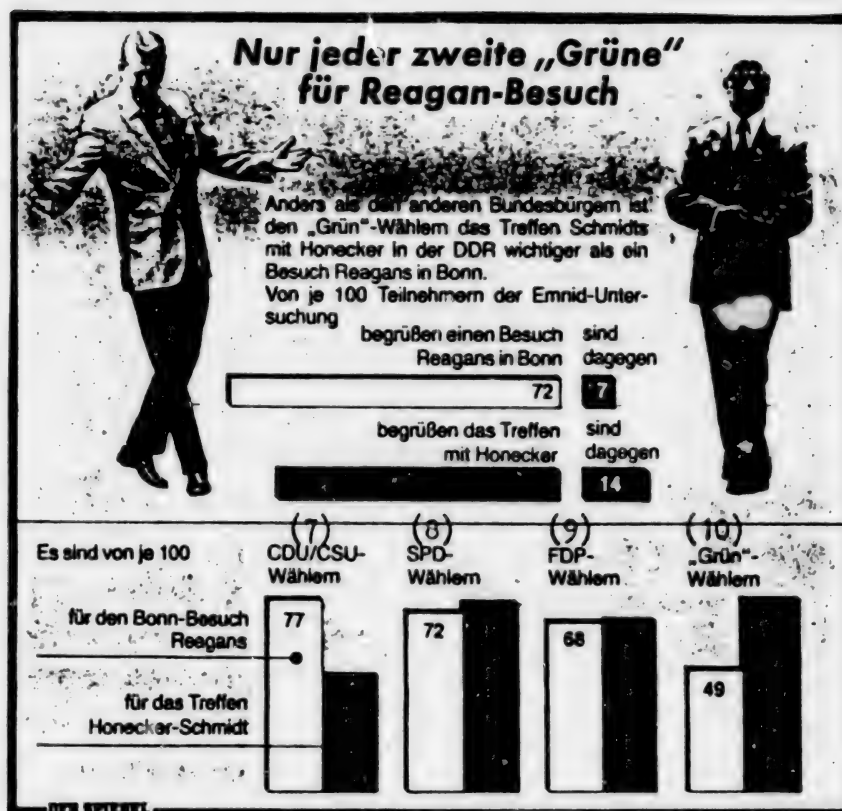
1. For or Against Nuclear Power ?
2. There still is a majority in favor of nuclear power but it is not as great as last year. Responses correlate with attitudes toward the peace movement (April 1980 poll figures in parenthesis).
3. For; against
4. Total sample
5. CDU/CSU voters
6. SPD/FDP voters
7. "Green" voters
8. Opponents of peace movement
9. Potential peace movement activists
10. Those opposed to construction of additional nuclear power plants were asked what should be done about existing installations
11. "Continue to operate"
12. "Shut down"

(1)

(2)

(3)

(4)



(5)

(6)

Key:

1. Only One "Green" out of Two in Favor of Reagan Visit
2. In contrast to the remainder of the sample, "Green" voters view the Schmidt-Honecker meeting as of greater importance than a Reagan visit to Bonn.
3. Percentages for, against Reagan visit to Bonn (total sample)
4. Percentages for, against Honecker meeting (total sample)
5. For, against percentages for Reagan visit (by party affiliation)
6. For, against percentages for Honecker meeting (by party affiliation)
7. CDU/CSU voters
8. SPD voters
9. FDP voters
10. "Green" voters

9478

CSO: 3103/161

PCF POLITBURO BACKS MARCHAIS ON POLAND

PM230859 Paris L'HUMANITE in French 18 Dec 81 p 10

[Apparent text of PCF Politburo statement issued in Paris on 17 December:
"Encouraging a Peaceful and Democratic Solution"]

[Text] The Politburo is closely following events in Poland. It confirms the assessments and positions expressed on its behalf by party Secretary General Georges Marchais.

The French communists are struggling to open up for their country a democratic path toward a socialism which will be characterized by an unprecedented increase in freedoms. Without trying to preach, they have followed with interest and sympathy the efforts made in Poland to overcome the serious mistakes of the past and to develop the process of economic, social and democratic reforms necessary to the advance of socialism. That is what they have been saying for the past 18 months. And that is why they consider the situation created in Poland by problems and excesses to be regrettable in every way. They understand and share the emotion and anxiety of those in our country who are sincerely attached to socialism and freedom at the introduction of a state of emergency in Poland involving the suspension of basic freedoms, arrests and internment.

At the same time the Politburo condemns the behavior of rightwing leaders who, because they want to break the cohesion of the leftwing forces and prevent pursuit of the policy of change, are raising an unseemly and cynical commotion over Poland although they tolerate and even support the bloody dictatorships rife in the world, and even in the Atlantic Alliance, like Turkey.

The PCF warns French workers and democrats against the initiatives of those who have no hesitation in choosing the worst for Poland in order to serve internal French political objectives. It considers that it is the duty of all the real friends of the Polish people, of freedom and peace, to act with the concern that civil war and foreign intervention be prevented. It strongly hopes that conditions will be maintained and the elements established as soon as possible for a peaceful and democratic solution to the crisis in Poland which makes it possible--on the basis of a national accord--to implement the economic, social and democratic reforms which Polish socialist society needs.

The PCF will do all it can, within the scope of its responsibilities and means, to encourage such a solution, and for its part will take the appropriate initiatives.

[Signed] PCF Politburo, Paris, 17 December 1981.

MITTERRAND ON NUCLEAR POWER PLANTS, EEC, AFRICAN ISSUES

PM290955 Lisbon DIARIO DE NOTICIAS in Portuguese 13 Dec 81 p 3

[Unattributed report on French President Francois Mitterrand 12 December press conference in Lisbon: "Nuclear Power Plants on French Agenda"]

[Excerpt] At the press conference which he gave shortly before returning to Paris after a 24-hour trip to our country, President Francois Mitterrand confirmed France's interest in selling nuclear power plants to Portugal. He said that this subject was broached in the talks that Foreign Minister Claude Cheysson had in Lisbon with his Portuguese counterpart Andre Goncalves Pereira.

With regard to this possible sale of nuclear power plants, Francois Mitterrand added that his country has an advanced technology in this field and the capacity to supply all the equipment essential for its installation. However, he gave no details about the possible supply of such plants to our country.

The conversations between Mitterrand and his ministers (External Relations Minister Claude Cheysson, European Affairs Minister Andre Chandernager and Women's Rights Minister Yvette Roudy) and President Ramalho Eanes and members of the Portuguese Government, particularly Foreign Minister Goncalves Pereira, were dominated, Mr Mitterrand said in his brief opening remarks at the press conference at the end of his visit, by Portugal's EEC membership and Africa.

With reference to the former issue, Mitterrand repeated what he said yesterday about the matter at the Ajuda Palace luncheon, advocating separate negotiations for Spanish and Portuguese membership. Whereas he continued to raise reservations with regard to Spain, in view of the danger of "overproduction," he said quite clearly about Portugal that Portuguese membership of the Common Market was "inevitable," since there were no "political obstacles" on France's part and since from the economic viewpoint "the difficulties are small." "The important thing," he stressed, "is to know how Portugal, with its weak economy, will fit into the community."

With regard to Africa--another of the predominant topics of the meetings with the government and particularly with President Eanes--Mitterrand said that both Portugal and France are in a privileged position due to both countries' historical experience on that continent. He also stressed the convergence of the Portuguese and French

in a policy based on the "diversification of foreign relations." Mitterrand said that this means that both countries have major opportunities for cooperating with the African countries.

Referring specifically to the Portuguese-speaking African countries, the French president said that relations between his country and those new states "are primarily dependent on Lisbon," adding that it was his government's intention to keep the Portuguese informed of any future cooperation agreements.

Still on the subject of Africa, specifically the southern part of the continent (Namibia and Angola), Francois Mitterrand said that the situation "is not good for the world balance." He advocated a rapid solution to the Namibian situation and said that France was closely following the work being carried out with the so-called frontline countries, some of which (Mozambique, Zambia and Tanzania), he added, Ramalho Eanes visited recently and which Mitterrand himself plans to visit in the first quarter of 1982.

The French president condemned the invasion of Angola by South African troops and all other threats by any other power. "It is the rule that wherever localized conflicts exist we see the two superpowers arriving," he said, adding that "the longer these localized conflicts last, the more the decisions are removed from the countries involved." However, he declined to comment on Jonas Savimbi's presence in Washington, stating that this was not France's concern but entirely a matter of U.S. domestic policy.

CSO: 3101/17

PEOPLE'S RIGHT TO INFORMATION ON PARTY POLITICS STRESSED

Athens I KATHIMERINI in Greek 1 Dec 81 p 5

[Unsigned editorial: "The Mission of the New Democracy"]

[Text] The "New Democracy" had made an innovation in our party tradition by introducing a party operation in which democratic practices replaced personal decisions. We had noted this when it occurred and we hailed it each time not only for what it meant per se, but more importantly as a model of a the modernization of our party charter and our political scene and as an example and model for the other political parties. Who would have imagined that leaderships would be changed, that their members would be elected and the decisions on fundamental issues would take place through democratic procedures, independent decisions and public discussions?

In short, we believed that we had taken the first definite steps in an area where political parties in the rest of Europe had been for many years.

But it appears that things were not as stable as we had realized and that the changes were restricted to the surface only. And for this reason the pretty picture did not succeed in surviving the electoral defeat. Following the elections, the "New Democracy" which more than any other had implemented democratic practices in its functioning, has undergone a crisis reaching its climax in the past few days with the most acute leadership issue which has resulted.

What can be done? It appears that our proud country does not have a place for the defeated; it accepts only the victors. And our even greater proud psychology cannot accept second place, just at Macedonia could not comprehend Alexander....

However, during the breaks in their internal clashes, the parties, which serve democracy and parliamentarianism, must not forget that they have some responsibility vis-a-vis those who sent them to parliament, i.e. their voters. It also seems that the squabbling New Democracy leaders have completely forgotten this fact. It seems that they have forgotten that they have some responsibility vis-a-vis 2 or more million people who sent them to parliament, that these voters had armed them with more than one-third of parliament's strength and that they bestowed on them the role of monitoring government authority, a role which is as important to the functioning of the state and to those far from the office of authority as the actual exercise of authority itself. And they show that they are indifferent to 36 of 100 voters who sent them to parliament.

The question is: Have we reached such a point where the party is in danger of a breakup and no one has felt the need to speak to the people, to the 2 million who voted for them, and to explain the reasons which led matters to where they are now?

Should not the people be informed about what divides Mr Averof and Mr Rallis and is leading the "New Democracy" to a breakup? Are they old reasons? New ones? Do they pertain to theoretical or political issues? Do they stem from the bitterness of defeat or from human ambitions? Are there others in disagreement? What is their motive: from bitterness of defeat or from ambitions of victory? Are there disagreements in the ideological directions or in the tactics being followed?

These are but few of the questions to which sensitive public opinion--greater than its political leaders realize--is legitimately seeking an answer. A clear answer, with no misunderstandings. The "salon revolutions" and cafe plots belong to another era. Today, things must be clear, practices unimpeachable and public opinion an essential participant in decisions.

However, to fulfill this lofty democratic role, public opinion must be informed. And the "New Democracy" leaders must inform it. Who are disagreeing and what are the reasons for the disagreement?

At some time or other, our political leaders must truly be convinced that one of the things that have changed in our era is that public opinion demands to be informed on all that concerns it. And the leadership crisis in the "New Democracy" is of concern to nearly four of 10 Greek voters. The latter therefore must be informed.

The role of a true opposition in a parliament, and especially as quiet-mouthed as is our new one, is very important to permit it to be undermined by personal disagreements and disputes. Unless they are major and important, at which time someone must tell us.

What must never be done is to remain without an opposition: this is what the country needs, what the government needs and what the opposition itself needs....

5671
CSO: 4621/85

SOVIET INVOLVEMENT SEEN IN DUTCH PEACE MOVEMENT

Rotterdam ONS LEGER in Dutch Oct 81 pp 91-97, Nov 81 pp 87-93

[Article by J.A.E. Vermaat*]

[October 1981]

[Excerpt] There are two international peace movements that are almost wholly oriented toward the foreign policy of the Soviet Union. The more important is the *World Peace Council*, the origins of which lie in Poland, where a "World Congress of Intellectuals for Peace" was held in 1948. From the very beginning the World Peace Council (officially established in 1950) attracted pacifists, neutralists, and left-oriented socialists in both East and West. The headquarters of the organization were originally established in Paris, until in 1951 the French government forbade the organization as a whole to conduct any further activities on French territory. Now the headquarters are in Helsinki.

Another Soviet-oriented peace movement is the Christian Peace Conference, or CFK (CPC in English). This peace organization is directed especially toward the churches in the East and West and has the aim of bringing churches and church leaders together at conferences where resolutions are adopted that are well-disposed toward the Soviet Russian political line. Through "Christians for Socialism" and also the Interchurch Peace Council, the CFK maintains contacts with related groupings in the Netherlands [3]. [Numbers in brackets refer to notes at the end of the article. The first two notes apply to the first part of the article, not included in this translation, and so are also omitted.] On 27 September 1980 at the "World Parliament of Peoples for Peace" (a World Peace Council activity), attended by nearly 2,300 delegates from 137 countries, the "Action Plan 1981" of the World Peace Council was adopted. An official representative of the World Council of Churches was also present at that congress [4].

The Action Program supports the Karmal régime in Afghanistan (which recently successfully invited three British Labor Party members of parliament) and coincides

*J.A.E. Vermaat studied international law and political theories at Leiden and is doing research for the Evangelical Broadcasting Company at Hilversum. He also works as a journalist for Netherlands and English papers. He has written two books on the Netherlands peace movement.

This article reflects his personal opinion exclusively.

in every respect with the official line of the Communist Party of the Soviet Union, without saying so in so many words. One of the parts of the Action Plan is to infiltrate parliaments by organizing so-called "peace groups" within all parliaments [5].

Another part of the Action Plan is to mobilize "religious groups for peace." Contacts with international and national or regional religious organizations must be augmented. Meetings and visits back and forth must be encouraged. The committee "Justitia et Pax" of the Roman Catholic Church, the World Council of Churches, and the World Buddhist Association are mentioned by name. But "other official religious organizations that concern themselves with questions of peace" must also be drawn into discussion with the World Peace Council [5].

Here in the Netherlands the last-mentioned category should be primarily considered as referring to the Interchurch Peace Council and "Christians for Socialism." The contacts are made primarily through the GDR and persons and organizations that are active there, the CFK being an important intermediary.

The "Stop the Neutron Bomb" Campaign

It is not possible within the limited scope of this article to report all the information I have at my disposal concerning the campaign against the neutron bomb.

The campaign officially began in 1977. But even before there was any question of a neutron weapon there was consideration in Russian "Nomenklatura" circles of large-scale mobilization of public opinion in the West against the United States and NATO. According to my information there was talk of that back in 1973, and this also fits in with certain publications that came out about that time. In one of these publications, which appeared both in the Soviet Union and in the GDR, there is open mention of involving movements directed against atomic weapons, even though from the ideological point of view (atomic) pacifism must be rejected [6].

The protest against nuclear weapons was not new. In England, e.g., between 1958 and 1965 an important movement was active in favor of unilateral nuclear disarmament (CND, Campaign for Nuclear Disarmament). The famous British philosopher Bertrand Russell was undoubtedly the most important mouthpiece of the CND [7].

In the Netherlands it was notably the Dutch Reformed Church that expressed itself in 1962 against defense and deterrence with the aid of nuclear weapons [8].

What the policymakers in the Kremlin must have had in mind around 1973 was a revival of these peace movements and groupings, more or less on the model of the successful anti-Vietnam-War movement of the 1960's.

One of the first campaigns on that model that scored any success was the campaign against the neutron bomb. From the very beginning the World Peace Council was behind this campaign. At a meeting of the World Peace Council in East Berlin, in the presence of Nico Schouten, the Netherlands cadre member of the CPN [Communist Party of the Netherlands], among others, the whole campaign against the neutron bomb was planned. Afterwards, too, the World Peace Council continued to conduct the campaign via a network of contacts. The starting signal for the anti-neutron bomb campaign was a TASS [Telegraphic Agency of the Soviet Union]

report of 30 July 1977 in which the new--and undoubtedly horrible--weapon was fiercely condemned. The report resounded in the press through various channels.

The World Peace Council got the task of setting the campaign in motion, to begin with a "demonstration week" from 6 to 13 August 1977. At about the same time most of the West European communist parties began campaigning against the neutron bomb. On 8 August 28 communist parties from Europe, the United States, and Canada published a joint declaration in which they pilloried the "barbarous nature" of this weapon and at the same time called upon all socialists, social democrats, and Christians to take a stand against it. In all of this the Netherlands, especially Amsterdam, and the Communist Party of the Netherlands played a central part. The CPN saw the chance to come splendidly out of its isolation by means of a single-issue campaign for a goal that would appeal to large numbers. After the electoral defeat of 25 May the organizational potential of the party had been somewhat impaired, and besides that the emphasis had come to be placed more and more on extraparliamentary action. On 19 August (1977) the "Initiative for a Broad Movement" was launched in DE WAARHEID under the motto "Stop the Neutron Bomb," a fact that the Russian sister paper PRAVDA immediately reported with obvious approval. The secretariat of the movement--originally a group of about 100 initiative-takers--a good many of them CPN members, but also other Netherlanders of varying political and social background--was dominated from the beginning by the aforementioned Nico Schouten, district administrator of the CPN.

The CPN offered all organizational assistance--and that was not a little. This was especially important nationally--there was a base of several hundred work groups. From the outstart the whole campaign bore all the marks of a cover organization whose communistic character becomes apparent only upon close scrutiny. Outwardly it operated by means of joint demonstrations and broad fronts. The more church figures that were willing to participate, the better!

In September 1977 the first so-called N-BULLETIN came out. In it we find a contribution by a political commentator of the Soviet Russian press bureau NOVOSTI (APN), Mr V. Yermakov [9]. On the next page Henk Hoekstra, chairman of the CPN, attacks the Pentagon, which makes no weapons "with the aim of not using them [10]." Attention is also given to the views of the PvdA [Labor Party], the IKV [Interchurch Peace Council], the PPR [Political Party of Radicals], and Egon Bahr, the German SPD [Social Democratic Party of Germany] politician. In the second N-BULLETIN we again find a contribution by a Russian commentator, this time the historian A. Yevremov, whose article in PRAVDA, 7 September 1977, is summarized at length under the headline: "NATO Under the Spell of Dangerous Conceptions [11]." Two pages later a speech by Cardinal Alfrink, then still international president of "Pax Christi Internationalis," is quoted at length [12].

A "Committee on Recommendations" was set up, which included among others Mient Jan Faber of the IKV, Prof Dr C. Augustijn (theologian, VU [The Free University]), Dr E. Boeker (chairman of the PPR), Prof Dr D.C. Mulder (theologian, VU), Huub Oosterhuis (student pastor), Prof Dr A.J. Rasker (theologian, Leiden), C. Schelling (Food Trade Union, FNV [Netherlands Trade Unions Federation]), F.J.F. Uijen (major in the Royal Dutch Air Force and member of the First Chamber), and the CPN member of parliament Wolff.

This committee played a part in the so-called "International Forum" that was held at Amsterdam in March 1978. From its composition it is apparent that the CPN sets special store by a contribution from "believing" circles, such as the Inter-church Peace Council, Pax Christi, and even the denominational political organizations. DE WAARHEID made a particular fuss over an announcement in TROUW, 21 September 1977, in which well-known representatives of different churches called upon their fellow Christians to send notifications of their adherence in to the secretariat of the initiative group. DE WAARHEID made the same sort of fuss over the decision by ARJOS [Antirevolutionary Youth Study Club] to take part in the "Stop the Neutron Bomb" campaign.

The campaign ran very smoothly and was partly financed from East European sources. Within 3 weeks 10,000 notifications of adherence had been received. There was a signature campaign for a "People's Petition" which had gathered 200,000 signatures by 15 November [13]. That same month there was a hearing session in the Second Chamber. But more important than that was the "International Forum", which was an extension of the "National Forum" organized on 17 November 1977, which, according to the campaigners, made manifest "the breadth of the movement." The "International Forum" of 18 March 1978 was set up after repeated consultation with East European representatives.

Obviously at that time the Netherlands already occupied an important place in Soviet Russian strategy as a future testing ground for experiments directed toward unilateral disarmament initiatives. The Forum was entirely organized by the CPN, in close collaboration with East European officials, communist sister parties, and the World Peace Council. The core of the foreign delegations consisted almost exclusively of high communist party members and of representatives of national branches of the World Peace Council, supplemented by more or less well-known figures from politics, church, science, and art. The political tone was set by communist spokesmen who primarily attacked the "aggressive" NATO attitude toward the socialist countries and particularly toward the Soviet Union. The most important Russian at the Forum was V.E. Lobanok, vice-chairman of the Supreme Soviet of Byelorussia, who was also interviewed in the N-BULLETIN [14].

The big effort was successful. On 7 March the Netherlands parliament had spoken out against production of the neutron bomb. The "People's Petition" had gotten nearly 1 million signatures. The minister of defense, Rudolf Kruisinga, had also expressed himself against the neutron weapon, but since he did not get sufficient support in the cabinet, he had to resign on 3 March 1978. But a short time later the cabinet, under pressure from the Second Chamber, reversed itself. On 7 April U.S. President Carter announced that the production of the neutron bomb would be postponed for an indefinite time. This was rightly seen by the campaigners as "an important success [15]." The secretary general of NATO, Mr Luns, spoke much more accurately of a "Russian success [16]." On 24 May 1978 a delegation from the campaign group consisting of three of the initiators--J. Blok, L. Ringnalda, and N. Schouten--left for New York, where they were to stay a week to attend the U.N. General Assembly. At the same time they would present a document of their own and meet official delegations of peace organizations. In that document attention was called to the significance of the new and widespread movement directed toward peace that was manifesting itself in the Netherlands. The Soviet Union had sent word directly that it was willing to receive the delegation, and "in Moscow we were received in the Kremlin by Aleksey Shitikov, chairman of one of the chambers

of the Supreme Soviet, for the presentation of the document [17]." After this official visit the delegation also had a meeting with the Soviet Peace Committee. "In Moscow the group expressed their thanks for the help they had received in organizing the International Forum. The delegation also accepted the offer made there to pay for their trip to New York by air [18]."

On the way home (from the United States) they also went to East Berlin, where they enjoyed the hospitality of the *Deutscher Friedensrat* [Ger.; German Peace Council], which they also thanked for all its help. It was agreed to keep in contact with each other.

On 13 January 1979 a "Cultural Manifestation" was put on in the hall of the Amsterdam RAI [Bicycle and Automobile Manufacturers Organization] on the theme "We Against the Neutron Bomb." Again the organization of the affair was discussed with the Communist Party of the Soviet Union, and therefore at this manifestation, too, several East European ambassadors gave evidence of their warm interest by attending in person.

Meanwhile the orientation of the campaign group had been broadened. From May 1978 on, they began to operate under the name Cooperative Association Stop the Neutron Bomb - Stop the Nuclear Arms Race. The Soviet Russian orientation also shows up in an article about the SS-20 ("Does the SS-20 Threaten Europe?") that was printed in the N-BULLETIN in August 1979. In it the Soviet Russian standpoint is completely justified and reflected. It is almost even suggested that the Soviet Union needed the SS-20 to be able to react to "western nuclear systems that have long existed"! [19]

The "Cooperative Association" is now primarily directed against the modernization of the NATO nuclear weapons in Europe, but without lifting one finger in the direction of the Soviet Union. On the contrary, the ties with the Soviet Union are extremely friendly, as appeared once more during the visit that a delegation from the Soviet Peace Committee made to the Netherlands at the invitation of the "Cooperative Association" (in October 1980). One of the members of the delegation was a political commentator from IZVESTIA. In the short time that the Soviet Peace Committee was visiting here it was able to develop a number of activities, partly through introductions by the "Cooperative Association." An overture was made toward the churches by including in the delegation the acting head of the international branch of the Union of Baptists.

Among those spoken with was the chairman of VARA [the Workers Radio Amateurs Association], Dr A.H. van den Heuvel [20].

[November 1981]

The Interchurch Peace Council (IKV)

The Interchurch Peace Council would not have had nearly so much success in its campaign against nuclear arms if it had not had the full support of "Stop the Neutron Bomb" from the very beginning. The movement cleared the way for the IKV demonstrations and created a general climate that can be called favorable for them. That is not to say that the IKV can be altogether identified with "Stop the Neutron Bomb." Although at the local level there is often an intensive co-operation between the two groupings--many IKV chapters owe their origin to an

already existing "Stop the Neutron Bomb" work group--there are considerable differences. Not the least of these is that the IKV has less inclination to claim or exaggerate successes.

It is generally inclined toward a somewhat more realistic view of the course of events. The IKV attitude is sometimes dismissed by "Stop the N-Bomb" as "defeatism [21]."

Yet, as stated, the IKV did not get the wind in its sails until after the successful campaign against the neutron bomb. In the IKV's view "the establishment of genuine friendly relations with the countries behind the Iron Curtain is of significance for the disarmament problem." "It is really of the greatest importance to combat the enmity that is based on ideology and power politics... For it is primarily the negative images of the enemy that will have to justify the continuation of the arms build-up. But is communism really as negative as we think? Is communism to be exclusively associated with inhumane systems [22]?"

The IKV leaves no doubt that it does not see a real enemy in communism. We *think* it is the enemy, but in fact it is the "humanistic utopia" (official IKV standpoint) [23].*

That is why the IKV attaches great importance to making contacts in East Europe (especially the GDR). It regularly happens that local IKV chapters invite church (and political) figures from the GDR for a speaking engagement or discussion evening with a church council or with a church congregation. The Christian Peace Conference plays a not unimportant part in this. The IKV also encourages members of churches to make visits to the GDR individually or in groups and establish contacts there with other Christians. Thus the Gouda IKV chapter makes a visit twice a year to a group in Magdeburg. The Nunspeet chapter attends a *Peace Seminar* every year in Königswalde. A group of IKV members from all over the Netherlands has made a "peace trip" to the GDR that was organized by the Work Group on East European Projects (WOEP). This WOEP maintains intensive contacts with an East European cover organization, the Christian Peace Conference, which is dominated by the political leadership of the East European communist parties. The abovementioned group trip started from the Hendrik Kraemer House in East Berlin, the directrice of which is the Rev. B  Ruys. She is also pastor of a congregation of her own in East Berlin and, through the Hendrik Kraemer House, maintains close connections with "Christians for Socialism," the IKV, "Stop the N-Bomb," the (Netherlands) Council of Churches, and the World Council of Churches. She also plays an important part within the Christian Peace Conference, as an intermediary between East German and Netherlands church organizations and persons. The Rev. Ruys and the Hendrik Kraemer House constitute the pivot on which many contacts and activities turn. Thus it was in the Hendrik Kraemer House that preparations were made for an extremely important congress of "ecumenical foundation groups on atomic foundation groups" that took place from 26 to 28 September 1980 at Woudschoten.

*See also K.A. Keuning, "De valse vijand van het Interkerkelijk Vredesberaad" [The False Enemy of the Interchurch Peace Council], ONS LEGER, January, February, March, June, and September 1981.--Editor

At that congress a number of lines came together. It was really the first time that the IKV, "Stop the N-Bomb," "Christians for Socialism," the Christian Peace Conference, representatives from East and West came together. The finances of the congress were somewhat obscure and possibly it was partly supported by East European (GDR) sources. The "Committee on Recommendations" included Mient Jan Faber (IKV), Emidio Campi (secretary general of the *World Christian Student Foundation*; I have been able to observe Campi in Melbourne, where he was in connection with the missions conference of the World Council of Churches. He is a great admirer of the Cuban model of socialism and maintains a number of contacts with movements and organizations, some of them extremely radical, inside and outside of Italy), Hartmut Fuchs (GDR), Karl Immer (head of the Evangelical Church of Germany, Rhineland, FRG), Metropolitan Juvenali (Russian Orthodox Church, Soviet Union), Marga Klompé (former cabinet minister and connected with "Justitia et Pax"), Lubomir Mirejovski (secretary general of the Christian Peace Conference), Philip Potter (secretary general of the World Council of Churches), Karoly Toth (Hungarian bishop and chairman of the Christian Peace Conference), and several others. "A striking feature of this congress was the many informal contacts in the bar and at dining tables. Everybody was always looking for new conversational partners from different movements and countries. Peace movements that had avoided each other before could and must now exchange their views at the congress. In a number of cases important contacts were thus established and bases for alliances formed [24].

IKV chairman Ben ter Veer was pleasantly surprised at the broad representation at the congress.

On 22 November 1980 the IKV organized a "chapter day on the GDR" in Utrecht [25]. Some 30 IKV chapters were present. From the report on the group trip, which was presented that day, it appears that all concerned were put in touch with the official peace work in the GDR. There are now 35 Dutch Reformed and other reformed congregations that have made contact with sister congregations in the GDR through the IKV. In May 1980 the IKV together with the Theological Studies Department of the Evangelical Churches in the GDR sent a letter to Potter, the secretary general of the World Council of Churches. In that letter a report was given of a second consultation of IKV and the aforementioned Theological Studies Department, which had been arranged in the GDR. The letter urged putting a stop to the realization of the NATO double decision in regard to intermediate range rockets and also urged a strengthening of economic interdependences in Europe [26]. By the latter is meant a growing economic cooperation between East and West Europe.

To what extent is such an organization as the IKV *directed* from East Europe? That question cannot be answered so easily. Merely to ask it might give rise to an impression that the one who asked assumed in advance that the IKV is an organization that is easy to manipulate. The IKV does sympathize with such Marxist theologians as Ter Schegget, but it is not an organization that is cobbled on a Marxist last. The IKV clearly differs from such broad-front-forming organizations as "Stop the N-Bomb," the core of which is Marxist-Leninist, oriented toward the CPN or the CPSU. Moreover, the IKV, unlike, e.g., the Christian Peace Conference, only partly accepts the foreign policy of the Soviet Union. It has spoken out frequently for the reform movement surrounding "Solidarity" in Poland and against the Russian intervention in Afghanistan.

Precisely therein lies the strength of the IKV. If only the church peace movement were more openly communistic! It was no less a person than Dimitrov that would rather deal with non-communists than with real communists when it came to "concentrating all forces on a few main issues in order to arrive at a real power group for peace and security [27]." This element also plays a part in CPN strategy. Yet a definite influencing from East Europe does take place, sometimes even directly. A number of ideologists behind the peace movement in the Netherlands, such as Ben ter Veer and Philip Everts, have frequently shown a surprising amount of understanding for Soviet actions all over the world and surprisingly little for American actions. That influence becomes especially clear when one compares the arguments used in IKV publications or at IKV evenings with the arguments encountered in the East European literature.

More and more, it is evident that specific East German or Russian arguments are taken over, sometimes verbatim. We shall now go into three important examples. First, there is the coupling, common in IKV circles, of the Russian invasion of Afghanistan with the NATO double decision of December 1979.* The Russians, it is said, invaded Afghanistan because NATO made that decision.

Another example is the emphasis that is placed in IKV publications on the so-called western military-industrial complex. The argument of the military-industrial complex is directly derived from the East European literature. At the Staatsverlag der DDR [German: State Press of the GDR] in Berlin a detailed study of this was published in 1974 that contains a number of arguments that we also hear nowadays in IKV circles [28]. Delegates from churches in East Europe who go to international peace congresses in the West are given exit visas only if they appear to be willing to formulate and to defend a number of typical propagandistic hobbyhorses of Marxist-Leninist ideology at such congresses. Thus the theory of the military-industrial complex--which they have even attempted to trace back to Eisenhower--has been defended by East European delegates in various consultations of the Anti-Militarism Program of the World Council of Churches (reports of this are in my possession). It is commonly stated that the West (America and NATO) have constantly cranked up the arms race because the capitalistic system reaps the fruits of it. In the "imperialistic states" there are strong special-interest groups that want to maintain a whole arms industry. Then it is stated that in the "socialist countries," because of the different and better system that exists there, there are no groups that have an interest in keeping up the arms race. Not infrequently this propaganda is believed, especially by theologians who have been very one-sidedly instructed in politics during their theological studies.

A third example of politicoideological influence from East Europe is the way in which Frank Barnaby, the director of the SIPRI /Stockholm International Peace Research Institute/, tries to justify the Russian presence in East Europe. According to Barnaby, for historical and psychological reasons the Soviet Union has a right to a "buffer zone" around all its boundaries. Afghanistan was occupied for that reason. "There was a gap in the buffer there that had to be filled /29/."

*In regard to the stationing of new intermediate-range weapons and cruise missiles in Europe and in regard to arms control negotiations.--Editor

Barnaby made this utterance in an IKV publication. Although the IKV has spoken out--albeit weakly--against the Russian invasion, it is not impossible that more understanding can be mustered for that invasion than for the NATO double decision of December 1979.

The Russian Interest in the Netherlands Peace Movement

The following is among the little-known facts. Although the Communist Party of the Soviet Union (CPSU) is hostile to religion and the campaign against it is continuing unabated (as the Slavist Dr W.P. van den Bercken hopes to show soon in a scientific publication), it has long been a central objective of the party to manipulate religious organizations and influence them in such a way that they will support elements of Russian foreign policy [30]. It is much less well known that the Russian intelligence service (KGB [Committee for State Security]) within the framework of this policy trains "church workers" who are sent to posts in the countries of the West and the Third World. Two such training centers for "religious agents" are located at Feodosia in the Crimea and at Lvov in the Ukraine. Religious workers are trained there who are placed in Switzerland, France, Belgium, Spain, Italy, Portugal, and Latin America (the Catholic countries). Those who go to Latin America are schooled in new theological trends, especially the theology of liberation. In Lithuania there is a training center for religious agents who are dispatched to the Anglo-Saxon world, the Federal Republic of Germany, Austria, the Netherlands, and Scandinavia (mostly Protestant countries). And from a training center in Constantza, Romania, workers are sent out to the Middle East [31]. This is a matter of training agents by whom priests and preachers can be influenced. The impression must also be created that the communist peril is quite nonexistent. The East European ecclesiastical functionaries who are willing to exert themselves to that end get full support from their governments in connection with their trips. Furthermore, as might be assumed, persons of Netherlands, Belgian, German, and English nationality, among others, are trained in the aforementioned institutes, just as is the case with the training of terrorists and cadre workers in various camps.

The East European interest in the peace movement in the Netherlands is evident from a number of publications. I have in my possession at least four press reports from the Russian embassy in which that is explicit. The developments within the Netherlands churches, especially the Dutch Reformed Church, have not been overlooked by the Russian embassy.

Developments within the Labor Party have also been closely followed [32]. The IKV is mentioned by name in various press reports. The congress on nuclear warfare in Europe organized by the Groningen Polemological Institute--which has close ties to the IKV--enjoyed the special interest of the Russians.

A half-page article under the headline: "Movement Against Dangerous NATO Plans Spreads in Netherlands" appeared in PRAVDA, 15 June 1981. "Many political parties and Netherlands leftist and democratic forces oppose the stationing of cruise missiles on their territory and are speaking out in favor of renouncing some if not all of the country's nuclear obligations in NATO [33]." The editor in chief of the CPN daily DE WAARHEID declared to the author of the PRAVDA article, Mr B. Dropkov: "You can say that the voters have expressed themselves (on 25 May) against the new American rockets." "The principal result of the voting (election) was the defeat of the government parties," the PRAVDA article

goes on to say. It is evident that the Kremlin has an interest in a governing coalition that includes the PvdA [Labor Party], because that party will never accept the new weapons.

In the East German paper AUSSENPOLITISCHE KORRESPONDENZ attention is devoted to the "broad movement against the rocket decision in the NATO countries [34]." There are numerous references to this movement against the nuclear weapons in the NATO countries. In REFORMATORISCH DAGBLAD of 15-16 July 1981 "a colleague" (not the author of this article) made several communications concerning the recently expelled correspondent Vadim Leonov of the Russian press service TASS. This Leonov, he said, once let slip the following: "When Moscow decides that 50,000 demonstrators must take to the streets, they march up the street. Do you know how you can get 50,000 demonstrators assembled in a specific place within a week? A message through my channels is sufficient. Everything is then arranged with military precision, chiefly under the leadership of conscientious objectors."

I cannot judge whether these words are authentic or not. The story sounds incredible. Leonov was an intelligent talker who attached importance to contacts with western journalists. He was a welcome guest at the "Nieuwspoort" press center in The Hague. That there are connections between the Netherlands peace movements, or at least individual figures in them, and East European intelligence services is beyond doubt. To what extent Leonov functioned as an "intermediary" in this I cannot say here. There are persons in the Netherlands peace movement or related movements who have undergone training in the GDR, etc., and who have been approached or even used by intelligence services that are hostile to us.

Conclusion

It is an illusion to think that the whole nuclear weapons protest of recent years sprang up "spontaneously." There is a clearly thought-out strategy behind the campaign. While the IKV is "internationalizing" its campaign, movements for unilateral measures arise in the FRG as well. In England the CND movement is being revived. The protest toward the East is always very weak, while that toward the West has an unheard-of violence. This peace movement is thus clearly one-sidedly oriented.

The strength of the nuclear weapons protest is not the fact that open communists give it their support or that PRAVDA writes in praise of it, but the very fact that the overwhelming majority of the movement consists of idealists who let their political feelings be led by emotions. The strength of the peace movement lies in the professor who, while he is known as "progressive," still makes known his rejection of totalitarian communism on the Russian model. In Vietnam the communists got into power primarily with the help of noncommunists. After the power takeover the latter could if they wished leave the country in old small boats.

The strength of the peace movement lies in the leftist parlor intellectuals who draft theories that veil the realities. People like Hylke Tromp, Ben ter Veer, Mienst Jan Faber, or Philip Everts are much more important than 500 cadre members of the CPN, who will appeal to only a small percentage of the voters.

If we do not understand that we shall never be able to understand how free countries can fall prey to totalitarian forces.

NOTES

3. I reported on the CFK in detail and with documentation in: J.A.E. Vermaat, "Christus of Ideologie?" [Christ or Ideology?], BV Uitgeverij De Banier, Utrecht, 1977, pp 64 ff. and 73 ff.
4. The Soviet Russian periodical XX CENTURY AND PEACE, 1980, No. 11-12, p 6, makes emphatic mention of the presence of "members of the World Council of Churches and other world organizations."
5. World Peace Council, "Programme of Action," World Peace Council, Helsinki, 1981, p 36.
6. "Soviet Military Thought Series," Vol 5, p 37.
7. Thorough documentation is to be found in Richard Taylor and Colin Pritchard, "The Protest Makers. The British Nuclear Disarmament of 1958-1965," Pergamon Press, Oxford and New York, 1980.
8. Text of the synod's statement in "Het vraagstuk van de kernwapenen" [The Nuclear Weapons Question], Uitgeverij Boekencentrum, The Hague, 1979, 5th printing.
9. N-BULLETIN, 1977, No. 1, p 8.
10. *Ibid.*, p 9.
11. N-BULLETIN, 1977, No. 2, p 9.
12. *Ibid.*, p 11.
13. N-BULLETIN, 1977, No. 2, front page.
14. N-BULLETIN, 1978, No. 5, p 4.
15. *Ibid.*, pp 8-9.
16. Interview in NIEUWSNET, 26 May 1979, p 31.
17. N-BULLETIN, 1978, No. 6, p 4.
18. P.P.J. Maessen, "Wie stopt de neutronenbom?--de geschiedenis van een aktie" [Who Will Stop the Neutron Bomb?--History of a Campaign], TRANSACTIE, 1979, No. 4, p 436. Maessen wrote his doctoral thesis on this subject and participated in the peace movement on the inside, but had begun to think more critically about it by the time he wrote the thesis.
19. N-BULLETIN, 1979, No. 15, p 10.
20. N-BULLETIN, 1980, No. 30, p 13.
21. Cf. the discussion between "Stop the N-Bomb" and the IKV at a congress on nuclear arms that was held in September 1980 in Woudschoten, to be found in

Wilken Veen (ed.), "Oekumenische basisgroepen over atomaire bewapening" [Ecumenical First-Line Groups on Atomic Armaments], p 18 (argument by L.J. Hogebrink) and p 24 (argument by Jo Spier, treasurer of "Stop the N-Bomb" and a member of the CPN).

22. VREDESKRANT, 1977, p 10.
23. See in particular the IKV criticism of the Neuman report, which was sent to me in stencil form (official IKV position!).
24. OPSTAND, 1980, No. 5, p 10.
25. KERNBLAD (IKV), January 1981, pp 9 ff.
26. Text in the IKV minibrochure "Vijandsbeelden" [Enemy Images].
27. POLITIEK EN CULTUUR (monthly organ of the CPN), May, p 199.
28. Klaus Engelhardt and Karl-Heinz Heise, "Der militärisch-industrielle Komplex im heutigen Imperialismus" [The Military-Industrial Complex in the Imperialism of Today], Staatsverlag der DDR [State Press of the GDR], Berlin, 1974. I have at my disposal numerous Soviet Russian articles of similar purport.
29. In IKV-BERICHTEN, 1980-1981, No. 1.
30. On this subject, see especially William C. Fletcher, "Religion and Soviet Foreign Policy 1945-1970," Oxford University Press/RIIA, Oxford and London, 1973.
31. This information should be considered reliable. See "L'Impact Suisse" [The Swiss Impact], Geneva, June 1981, pp 17-18. "L'Impact Suisse" is one of the best and most detailed sources on Soviet Russian subversive activities against the West.

The Bulgarian dissident Mikhail Glukhov has stated that Stalin had such contacts as early as 1936. Glukhov is now writing a dissertation on the influence of East European intelligence services on peace movements in Europe. He is one of the best informed persons in this field. See M. Glukhov, "Le KGB au Sein de l'Eglise" [The KGB in the Bosom of the Church], in L'EVENIAL SPECIAL, 12-19 June 1981.
32. NEWS FROM THE USSR, press release, Embassy of the USSR, The Hague, 1981, No. 12-13, p 1; 1981, No. 23-24, p 1; 1981, No. 76, p 1, and 1981, No. 97, p 6.
33. PRAVDA, 15 June 1981, p 6. The article was written by PRAVDA's Amsterdam correspondent B. Dropkov and took up half a page.
34. AUSSENPOLITISCHE KORRESPONDENZ, 12 June 1981, pp 186-187.

CP CHAIRMAN KNUTSEN: SOLIDARITY COUNTERREVOLUTIONARY

PM181519 Oslo ARBEIDERBLADET in Norwegian 14 Dec 81 p 7

[Unattributed interview with Norwegian Communist Party Chairman Martin Gunnar Knutsen: "Solidarity Is Counterrevolutionary"]

[Text] "The new developments came as no surprise. It is clear that one should expect something after Solidarity adopted a clearly counterrevolutionary line," Norwegian Communist Party [NKP] Chairman Martin Gunnar Knutsen told ARBEIDERBLADET.

Knutsen said that he hopes and believes that the new situation will remain an internal Polish affair and that it will not lead to interference from any side.

"Poland was entering a hard winter with anarchy in its economic and production life and with major problems with food supplies and heating. In this situation Solidarity has almost ruthlessly played its increasingly counterrevolutionary game. It has, for example, hinted at a takeover of power, which is certainly not a task for a trade union. I hope what has now happened will lead to a situation in which the Polish people will be given the peace and stability they so badly need. Anything else would be a great tragedy," said Knutsen, whose view it is that "the counterrevolutionary Solidarity" has had help from outside.

"Counterrevolutionary swings in a country occur in part with the help of international contacts. We see this in Western propaganda in the direct support for Solidarity that has been shown, in Norway, too," Knutsen said.

[Question] Haven't the authorities acted somewhat drastically?

[Answer] It is too early to say anything about the degree of toughness being used. The only thing we know at present is that it is obvious that something had to be done. [Answer ends]

The NKP's central bodies have not yet discussed the matter. They will wait to see what happens and will perhaps raise the matter at the Central Executive meeting Thursday [17 December].

CSO: 3108/37

PARLIAMENT DEBATES POLISH EVENTS

PM220913 Oslo AFTENPOSTEN in Norwegian 16 Dec 81 p 3

[Report by Orten Malmoe, Einar Solvoll: "Opposition to Use of Force in Poland"]

[Excerpt] "To the extent that our reactions can have any influence at all, they must contribute to building up opposition to the use of force and oppression in Poland," Prime Minister Kaare Willoch stated in the foreign affairs debate in the Storting yesterday. Like many speakers the prime minister stressed that the Polish people must be given the opportunity to solve their own problems without interference from outside, in accordance with the Polish people's clear and strong desire for democratization.

Several speakers in the debate stressed that Norway should increase its humanitarian aid to Poland, especially in sending food and other necessities needed by an impoverished people facing the harshest winter conditions.

Prime Minister Willoch said that no one can ignore the conditions which must also be fulfilled for the restoration of Poland's crisis-stricken economy. Storting Foreign Affairs Committee Chairman Kaare Kristiansen (Christian People's Party) said that, no matter what the outcome of the crisis in Poland, it is clear that the position of the Communist Party has been further weakened. He said that he hoped that the Soviet Union would not use the takeover as an excuse to intervene in Poland, and Kristiansen stressed that the West and the United States in particular have been unusually sober in its reactions, so that it is impossible to say that anything has been done which could provoke the Soviet Union.

"It goes without saying that we should react to what is now happening in Poland," said former Foreign Minister Knut Frydenlund (Labor Party) who is now chairman of the Defense Committee. He reminded the Storting of a Polish assertion which says: "Poland is Europe's Christ and bears the sufferings of Europe." Hunger and economic chaos are rich soil for desperation, Frydenlund said, reminding the Storting that it is important for material aid to Poland to continue.

Foreign Minister Sverre Stray said that he had been visited by the Polish ambassador the day before. The ambassador had assured him that the state of emergency would be of short duration and that those arrested would shortly be released. The foreign minister had replied that Norway's attitude to the regime in Poland would be closely connected with the actual implementation of what the ambassador said. Foreign Minister Stray said that if the Soviet Union intervened in Poland this would have the most serious consequences, particularly for the negotiations on arms reductions.

CSO: 3108/37

SOARES DENIES COLLUSION WITH AD ON CONSTITUTIONAL AMENDMENT

Lisbon O JORNAL in Portuguese 27 Nov 81 pp 6-7

[Interview with Mario Soares, secretary general of the Socialist Party, by Daniel Ribeiro, in Paris; date not specified]

[Text] Socialist Party Secretary General Mario Soares, in an interview granted to our correspondent Daniel Ribeiro in Paris, denied any secret agreements with the AD [Democratic Alliance] reiterated that a constitutional revision respecting the gains of 25 April is being defended, and appealed for a dialog effort with a view to a new up-surge in democratic socialism.

O JORNAL: You are in France, about to proceed to Strasbourg.

Mario Soares: I came to France basically to participate in a conference here in Paris on the subject of the situation here in Europe and the challenges to the rights of man, both with regard to Europe and the rest of the world.

Participants in this conference, sponsored by the Council of Europe, included a number of individuals who have distinguished themselves in the struggle in defense of the rights of man. There was then a discussion lasting several hours and subsequently a cordial luncheon meeting with journalists from the leading newspapers of Europe and elsewhere.

Then I am scheduled to participate in a seminar organized by the Union of Socialist and Social Democratic Parties in Madrid, concerning the inclusion of Spain and Portugal in the EEC. This was a project of the PSOE [Spanish Socialist Workers Party] which invited European socialist leaders to participate. I was asked to launch the discussion, which will begin Friday morning, with Felipe Gonzalez giving the closing address. The main goal of this seminar is to show Europe that it is absolutely essential for the EEC to have an overall prospective unity, and that it must not exclude the two countries on the Iberian Peninsula.

A delegation representing the Portuguese PS [Socialist Party] will also be present. In addition to myself, it will include Almeida Santos, Vitor Constancio, Eduardo Pereira, Sousa Gomes and Antonio Campos.

Cultural Image

[Question] Meanwhile, you had 2 more days in Paris with a very full schedule.

[Answer] I utilized these 2 days to meet and talk with individuals linked with the universities connected in some way with the teaching of Portuguese, or with links to Portugal for reasons of a political or cultural sort.

In this connection, I met with Jacques Georgel, who is publishing a book in January on the Salazar era, for which I wrote a preface, as well as Jean Michel Massat, Coimbra Martins, Georges Boisvert, Yves Meriam, Jose Terra and Maurice Duverger (whom I invited to visit Portugal). These contacts were interesting, for they gave me a picture of the prospects for the development of Portuguese culture in France and the teaching of our language in this country.

I also had an opportunity to see the exhibit by my old friend Julio Pomar. I regret having been unable to visit the Jorge Martins and Cobra exhibit for lack of time. I still hope to see the film "Francisca" by my friend Manoel de Oliveira, in which my nephew, Mario Barroso, is one of the actors. I also visited the Portuguese Cultural Center of the Gulbenkian Foundation, where I also saw the exhibition by Siqueira Freire.

Meeting with the Angolan Ambassador

[Question] But apart from these cultural contacts, you had some political meetings here too.

[Answer] I made a number of contacts in this field. I met with Jean Daniel, the editor of LE NOUVEL OBSERVATEUR (whom I invited to visit Portugal), the editor of LE MONDE, Jacques Fauvet, and also with the Angolan ambassador in Paris, as a follow-up to the meeting I also had with the Angolan president here a short time ago. On the other hand, I also talked with the first secretary of the PSF [Socialist Party of France], Lionel Jospin, and with Prime Minister Pierre Mauroy, with whom I met jointly with former ambassador Coimbra Martins and some of the prime minister's advisors involved with Portuguese matters, such as Antoine Blanca and Thauvin. I was further in contact with the president of the Portugal-France Friendship Association, Senator Robert Pontillon. In addition to these meetings, I had a long session with the executive board of the Portuguese PS [Socialist Party] in France. Furthermore, I would like to say in this connection that the Portuguese socialists abroad have undertaken enthusiastic organization, and that a plan of activity on the cultural level and in the associations is to be undertaken, not only here but in Germany and the Benelux Nations as well.

Friendship with Mitterrand

[Question] You also had a meeting here with Francois Mitterrand. At that time, did you discuss any aspects of the French president's scheduled visit to Portugal?

[Answer] Francois Mitterrand and I have a relationship which is not new and dates back to the days before 25 April. We maintain regular contact by telephone and

letter, and our relationship is not only one of political solidarity, but is based also on a personal friendship. Since I was in Paris, I informed him of the fact and he set aside time for me. Our talk had to do above all with the situation in Portugal and France and the relations between the two countries.

We also discussed the question of Portugal's joining the EEC just prior to Mitterrand's departure for London, where this problem will be discussed, and I told him of my belief that the negotiations should be concluded as speedily as possible. Moreover, where this issue is concerned I believe that there is a right-wing faction in Portugal which is not interested today in our joining, because of the fact that progress is being made in some of the EEC countries with a program of nationalization and expansion of the public sector which, as is well known, is not to their liking.

On the other hand, we also discussed the situation on the European level, where as you know the socialist parties have recently won great victories. In France, there has been this important triumph with very extensive repercussions throughout the world. In Greece, too, and subsequently the socialists won the elections in Italy. Bertino Craxi's PS is progressing notably, and in Spain all of the surveys indicate that the socialists may win the next election.

After a recent period in which we had some difficulties and problems, we in Portugal are laying the foundations for asserting ourselves as an alternative to the AD, living up to the historic mission of the PS. Therefore, we are making an effort today not only toward the reorganization of the party, so that it will be consistent with the needs of our country, and to give it a new, precise image attractive to the voters, but we are also planning undertakings to promote and renew dialog with the entire sector on the democratic left.

[Question] What about this prospect then which includes the so-called "detente" between the majority and the minority within the PS?

[Answer] I am convinced that the majority of the Portuguese socialists have already realized that with the existence of a party with a state of guerilla warfare in it, the entire party, socialism and democracy will be threatened. All the socialists now understand the need for an effort at dialog in order to find a basis for understanding which can lead to a new upsurge in democratic socialism in Portugal.

No Threat to the Constitution

[Question] Will this "upsurge" for the PS result in a more direct clash with the AD and its government?

[Answer] We have always had a policy of direct opposition to the AD and it is only forces outside our party which have tried by every means to claim that we have reached secret agreements with the AD, which is entirely false. Moreover, in the past it was the AD which claimed we had secret agreements with the PC [Communist Party], while now the PC says that we have such understandings with the AD. We want to undertake a revision of the constitution to improve it and not to challenge the rights it contains which were won during the 25 April revolution--political, social and economic rights, to the winning of which we definitely contributed.

[Question] Specifically on the amendment of the constitution, an appeal is currently circulating in the country signed by various leaders urging a constitutional revision within the material limitations defined therein. What is your opinion of this appeal?

[Answer] I believe that the constitution is not in danger, and that this is one of the parts of the major campaign launched by the PC in an effort to move to the center of Portuguese political life and to become the defender of a constitution the very existence of which it has sought by every means to prevent, in particular by its seige of the Assembly.

Importance of Vitor Constancio

[Question] Dr Mario Soares visited Strasbourg, where Vitor Constancio had been a day or two earlier. There is talk of an attempt at rapprochement.

[Answer] I met with Dr Vitor Constancio before going to France at the political commission meeting in Lisbon, and I met with him again in Madrid Thursday evening, since he is a member of the PS commission which will participate in the seminar on the EEC on Friday.

[Question] Do you rely on Vitor Constancio to oppose the AD, particularly in the battle against its economic policy?

[Answer] Without a doubt, Vitor Constancio is an individual with a rather broad knowledge of the Portuguese macroeconomy and he is an important factor in destroying all of the mechanisms created by the AD with a view to attempting to persuade Portuguese citizens that the misfortunes we are experiencing are inevitable, when they are not. The difficulties Portuguese citizens are experiencing, particularly in the financial and economic sector, if they are in large part due to the international crisis, are also the result of the demagogic policy of the AD. Moreover, it is not only the workers who oppose the policy of the AD, and not only the trade union movement as a whole, but the small owners and businessmen as well, who want to see progress for their businesses and who realize today that with the AD, which pursues a policy of favoritism and speculation, they are not in a position to make the investments they want to make.

[Question] Will we have then a PS characterized by "combat" and action beginning now?

[Answer] The PS is a combat party, and it is dedicated to offering the Portuguese people a real and credible alternative to the AD.

Possibility of Early Elections

[Question] Do you foresee, with this increase in the opposition, any possibility, even if vague, of early elections?

[Answer] This is a possibility which cannot be excluded. Obviously, it depends on many factors. It depends on the development of the internal problems in the AD and also on the president of the republic himself, since to date, he has always had political confidence in the present government.

[Question] Within this opposition to the government, do you foresee a rapprochement with the former FRS or other sectors of the left?

[Answer] Yes. We had a rather interesting meeting with the leaders of the UEDS and another, during my absence, with the ASDI. And these contacts in the democratic leftist sector will continue.

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CSO: 3101/13

AD CONSTITUTIONAL AMENDMENT EFFORTS SEEN AS THREAT

Lisbon O JORNAL in Portuguese 27 Nov 81 pp 7,8

[Interview with Dr Alvaro Cunhal, secretary general of the PCP, in writing; date not specified]

[Text] The threats to democracy which would result, in his view, if the Socialist Party (PS), which urges a dialog with what it calls the "democratic left," were to reach an understanding with the right wing, figure among the main points in the interview which the secretary general of the PCP granted us. Dr Alvaro Cunhal answered the questions posed to him by O JORNAL in writing, as was the case moreover with the interview with Dr Almeida Santos which we published last week, to which, obviously, this communist leader has responded.

O JORNAL: The PCP will vote against the elimination of the Council of the Revolution. If your party defends the retention of that sovereign body beyond the transition period for which the pact between the MFA [Armed Forces Movement] and the parties provided, what are your reasons?

ALVARO CUNHAL: In fact, we do not oppose the maintenance of the Council of the Revolution as a sovereign body. The basic reason is the fact that, as life reveals, the "transition period" has not yet ended. "Transition period" meant and still means the period of consolidation of the democratic regime. The Council of the Revolution was seen as necessary precisely because democracy was not regarded as consolidated yet. This was the reason for the functions and authority granted to it--to guarantee the regular functioning of the institutions, the implementation of the constitution, and fidelity to the spirit of the 25 April 1974 Portuguese Revolution, and to serve as a political and legislative body in military matters.

Now democracy continues to be subject to serious threats. The political forces of the right wing, instead of accepting democratic legality and the democratic norms of life, is violating legality, drafting laws and taking steps which are unconstitutional, and pursuing a plan to liquidate this system. For this reason we believe that the continued existence of the Council of the Revolution or (although this is not regarded as possible) establishment of a new body with similar structure and competence is essential to the defense, consolidation and continuation of the democratic regime.

Early Elections

[Question] Does the PCP continue to defend the premise that the president of the republic should withdraw his support from the present cabinet and dismiss it? What concrete alternative does it propose: early elections?

[Answer] Precisely. On the one hand, it is a matter of eliminating a cabinet which is violating the constitution and the laws, leading the Portuguese economy toward disaster, causing a deterioration in the living conditions for the people, destroying nationalization, agrarian reform and the rights of the citizens which are an integral part of the democratic system in effect, monopolizing the mass communications media, waging guerilla warfare against other sovereign bodies, and pursuing a subversive plan to liquidate democracy.

On the other hand, it is a question of replacing the present Assembly of the Republic, through elections, with one which will correspond to the real political and electoral strength of the parties represented in it. This means early elections carried out in conformity with the democratic rules, and not a cabinet which, as happened in the 5 October 1980 elections, usurps power to hinder the democratic electoral process.

Innumerable facts demonstrate that the AD [Democratic Alliance] has no majority base of support--social, political or electoral. The AD wants to destroy the democratic system. We are certain that the Portuguese people want to defend it.

"Governmentalization" of the Armed Forces

[Question] The PCP has talked of a presumed agreement between the AD and the PS concerning a revision of the constitution. As your party has learned of it, what kind of agreement is involved, what areas does it cover, who endorsed it and what goals would it be seeking?

[Answer] Obviously, there is no written agreement on paper with the sign and seal of Mario Soares, Freitas do Amaral and Pinto Balsemao. But this agreement is not "pure speculation" as some PS leaders would have it. The agreement reached is evident in the facts themselves, and in one basic aspect: actual authority to appoint the military commanders. The AD as well as the PS and Mario Soares want one and the same things: to take away the authority to appoint the military commanders (and not just from the president of the Portuguese Republic but, specifically, from President Eanes) and hand it over to the cabinet (concretely, the AD cabinet).

Whether the government makes the appointments (the AD proposal) or whether it nominates and endorses the appointments (the proposal of the SRS, patterned after Sa Carneiro's proposal), the result in practice would lead to the same end, although in the latter case, the process might possibly involve greater conflict.

It should be added that this proposed revision is paralleled by others which remove the authority to legislate in the military sector from the council of the revolution (to be eliminated) and transfer it to the Assembly of the Republic and the cabinet. It is easy to see what the consequences of this would be. The cabinet (more specifically, Freitas do Amaral) would re-establish a fascist type of military hierarchy,

would place its people in the general staffs and in command of the military units, would make the armed forces dependent on the government and political parties and would thus achieve what the reactionaries have been seeking since 25 April, only failing to achieve it last year thanks to the defeat of their candidate, Soares Carneiro, in the 7 December presidential elections--the conversion of the armed forces, which played a decisive role in the overthrow of fascism, into a tool for the re-establishment of a reactionary dictatorship.

In order to change any constitutional precept, a majority of two thirds of the votes is needed. The AD does not have these votes. Only the PS can provide them. And this is the great danger. The specious argument put forth by Dr Almeida Santos cannot alter this fact or prevent the people from learning of the reality.

President's Error

[Question] How do you evaluate the conduct of the president of the republic during this first year of his second term? What criticism does the PCP make of his actions?

[Answer] Our party has already stated that, overall, the president of the republic (as well as the Council of the Revolution) has played a positive role in the stabilization and consolidation of the democratic regime. But our views are different and our opinions critical on a number of points. For example, we believe that these two sovereign bodies allowed the reactionary forces to exceed all the acceptable limits of tolerance some time ago, with their unconstitutional and subversive actions. And specifically, we regard it as a serious error that the AD did not withdraw from the government when Pinto Balsemao asked to resign, an error which was probably the result of an underestimation of the threat posed to democracy.

[Question] Through its leading organs, the PS recently put forth the idea that the PCP was the party force least authorized to voice exaggerated fears about the defense of this constitution. Do you regard this reasoning as correct or do you believe that it involves errors in assessment?

[Answer] The PS has talked a great deal about 1975 again. But what the PCP criticized in the constituent assembly in 1975 was not the drafting of the constitution, but the delay in this drafting for long periods, the effort to convert this body into an organ of power, to oppose it to the provisional governments and to attempt to determine national policy when it did not have the authority to do so. Furthermore, it is a known fact that the PCP played a very active role in drafting the constitution, that it approved it and contributed to its promulgation by the president of the republic on 25 April 1976 at the time it was approved, while the reactionary forces did everything possible to oust Costa Gomes and prevent the promulgation of the constitution.

The PCP has always regarded the constitution approved in 1976 as a progressive one, one which protects precisely those democratic gains of the Portuguese revolution. The PCP has always defended the constitution, respected it and demanded that all Portuguese citizens, beginning with the cabinet, respect it as well. These are historic truths which the ideological diversion campaigns can never succeed in obscuring.

[Question] Dr Almeida Santos said in his interview with O JORNAL that the PCP had proposed separate talks with the PS concerning the constitutional revision. What does the PCP propose, and to what end?

[Answer] The PCP proposes two very simple things. The secretariat of the Central Committee of the PCP wrote a letter to the national secretariat of the PS proposing that a meeting be held to study the problems pertaining to constitutional revision and matters related thereto together. The PCP parliamentary group wrote a letter to that of the PS with the same end in view. Although we set absolutely no prior conditions, the PS refused to agree to either of the meetings. Dr Almeida Santos said that the PS has rejected similar proposals made by the AD and that the PS will only agree to dialog on this subject within the revision committee of the assembly. Meanwhile, the PS and AD leaders have held summit meetings one after the other, and their representatives on the committee have reached a perfect understanding.

[Question] How do you assess the risks of constitutional revision presuming that the solutions urged by the AD win out?

[Answer] The solutions urged by the AD go far beyond what it is in a position to achieve through revision. The AD has ceased to ask the PS for support (as the AD proposal sought) for the elimination of the economic organization, democratic conquests and basic rights of the citizens from the constitution. A commentator in the fascist newspaper O DIABO has moreover suggested that in the constitutional revision, the AD should sacrifice everything provided it can win military authority for the cabinet. The purpose is clear. Once the armed forces have been transformed into the armed branch of an antidemocratic coup, the new phase will have begun: complete liquidation of the constitution and the regime. When the AD indicates its readiness to support the FRS (PS) proposal on the appointment of the military commanders, it is not because that proposal is democratic and socialistic, but because it was in the final analysis what was urged by the late Sa Carneiro, and would permit achievement of the same goals.

No Democratic Government in Portugal

[Question] With the Council of the Revolution eliminated, the legislative authority for the organization of the armed forces would pass to the Assembly of the Republic exclusively, making a two thirds majority necessary in the event of a veto by the president of the republic. Do you believe that there would still be the risk of "governmentalization of the armed forces" with such a plan?

[Answer] To judge from the discussions in the Assembly of the Republic committee, the AD and the PS are working toward giving the legislative authority for military matters not only to the Assembly of the Republic (general policy) but to the cabinet itself as well (organization and administration). We defend giving the Assembly of the Republic authority to define national defense policy. But we continue to believe that the organization and administration of the armed forces (and specifically the regulatory norms) should continue to be the province of the military. Under the specific conditions under which we live, this is the best guarantee of defense against making the armed forces partisan and using them as a tool.

[Question] Do you agree with the view, already set forth by Freitas do Amaral, the Defense Minister, to the effect that the political component of that body should be

transferred to the cabinet? In your view, would the cabinet by the sovereign body with the most legitimate authority to deal with such complex problems as, specifically, military appointments?

[Answer] As Defense Minister, Freitas do Amaral represents a conspiracy in the armed forces. His views come within the subversive plan of the AD. In the abstract, within a consolidated and stabilized democratic regime with regular and normal functioning, it is acceptable for a cabinet to have some of the military authority under discussion. But this is not the situation in which we are living in Portugal. We do not have a democratic government in Portugal, but one which wants to see democracy liquidated and which, to this end, is seeking to convert the armed forces into a tool for its coup.

[Question] Does the PCP remain organized within the armed forces as it seems to have been during the fascist or PREC era?

[Answer] It is true that under fascism, the PCP was organized within the armed forces. As to the PREC, one often sees this acronym used in the extreme right-wing press in an extremely pejorative way, but it neither defines nor clarifies anything. We believe that there are men of all persuasions and all parties in the armed forces, and that the predominant group today favors democracy and constitutionalism.

[Question] But are there not PCP members who are military personnel on active duty?

[Answer] As you know, it suffices to be a suspected communist (even without any basis) to become the target of discrimination when it comes to assignments, posts, missions and promotion. The matter of the "NATO credentials" serves as an example. When all of the political parties respond truthfully to such a question, they will see whether or not we for our part should respond to it.

[Question] The constitutional right of the workers to be heard has in practice come to naught. Wouldn't it be preferable to remove it from the constitution in order to avoid giving the trade unions and the Workers' Commissions any "illusions" about such a right?

[Answer] There is nothing meaningless about the right set forth in the constitution. What is wrong is that the cabinet, members of the Assembly of the Republic and other bodies have been allowed to violate the constitution and to refuse to respect this right. It is not only this right, moreover, which is violated daily. If all of the precepts which the reactionary forces which make up the government fail to respect were removed from the constitution, practically nothing would be left. It is not the constitution which should be adapted to the unconstitutional and illegal practices of a government and a majority of deputies representing parties which are usurping democratic power. It is the government and the assembly of the republic which should act in accordance with the constitution and democratic legality. For this reason we defend the constitution. And this is also why we are waging the battle for a majority in the Assembly of the Republic and a government which will respect it and carry it out.

Union Dialog Unnecessary

[Question] Although it is less representative than the INTER [National Intersindical], including far fewer trade unions and workers, the UGT [General Union of Workers] exists and is growing, if only slowly. The vast majority of the PS trade union members are members of it, and in the service unions, such as the SITESE and the bank workers unions, the trade union members affiliated with the PCP are organized in factions. Taking this picture into account, what is the reason for the resistance of the communist affiliates active within the INTER to dialog with the UGT?

[Answer] It is doubtful that the majority of socialists who are members of trade unions are members of groups which support the UGT. There are thousands of PS members and sympathizers in the CGTP [General Federation of Portuguese Workers]-INTER.

As to the UGT, it is without a doubt increasing its divisive activities, creating new parallel trade unions and eliminating democratic life in the unions where for the time being, its people control the leadership (the office employees' union in Porto is a flagrant example). But I do not believe that it will grow. On the contrary. For example, in 1980-1981, to our knowledge, a number of trade unions affiliated with the UGT or even a part of it went over to the united trade union movement.

The UGT is clearly a docile tool of the owners and the government. Its role is to claim to represent the workers in order more easily to betray them. Look at what happened in the textile sector. The UGT SINDETEX represents little or nothing. But the owners signed a CCP [Workers Coordinating Commission] agreement with it, through which more than 100 of the workers' social benefits are paid, and the government is seeking to make this contract binding on the entire category through an extension directive.

The response of the workers (the great and magnificent textile strikes) served to show what the workers think of the UGC. In the trade union sector, I do not see how a dialog or agreement between the great central united trade union of the Portuguese workers--the CGTP-INTER--and the union organization which has quite rightly been called a "puppet trade union organization" could be viable, much less defensible.

[Question] Is a rapprochement between the PCP and the PS possible without collaboration on the social level?

[Answer] The PCP has indicated its readiness to consider any rapprochement with the PS with a view to combating the reactionaries or defending the interests of the workers, the democratic gains, citizens' freedoms, the constitution and the regime. We are ready to consider forms of agreement, rapprochement and joint action whether with a view to the goal of a democratic alternative or concrete immediate goals of a limited nature.

Agricultural Sector

[Question] Won't the difficulty in dialog on the social level between the PCP and the PS lead the PS trade union members precisely toward cooperation with sectors situated on their right?

[Answer] The difficulty in dialog on the social level is not only because of the difference in class positions between the PCP trade union members (entirely in the service of the workers) and the PS trade union members. The question posed to the PS trade union members is whom they want to serve--the owners and the reactionaries, against the interests of the workers (as they have systematically done in the UGT) or the workers, as is their duty. Enduring cooperation between the PS trade union members and the right wing means nothing other than that these trade union members are serving capital and becoming a tool for the aggravation of working and living conditions for the workers and of the reactionary policy of the government.

[Question] The PS has always said it wants agrarian reform. Currently, in view of the increasing difficulty the PCP is having in sustaining its initial project, wouldn't there be advantages for your party and for the workers in a rapprochement with the PS proposal, with agreement to the collective exploitation of the land within a cooperative context, rather than within the system of government-owned estates (UCPs) urged by the PCP?

[Answer] First of all, it should be made clear that the UCPs are not government-owned estates but an original form of organizing agricultural exploitation on the basis of the work and the creative capacity of the workers. Prior to agrarian reform, there were many concepts about the form of organization which should be adopted. The UCPs and cooperatives were approved. But the workers discovered a new form in the end (joint and autonomous, with certain self-management characteristics) which was fully adapted to the existing agrarian structures, the nature of farming in the zone and the class structure of the active farm population, in which the rural workers account for 80-85 percent. The cooperatives may be the solution for agrarian reform in the small and average owners' sector, in the central and northern parts of the country, such as in the Algarve, where the peasantry predominates. But it is not in the large estate-owning region of Alentejo and Ribatejo, where farm workers and extensive cultivation predominate. Only those unaware of or desiring to ignore the concrete conditions in Alentejo and Ribatejo could want agrarian reform based on cooperatives of small farmers or family operations there. Where the PS is concerned, it may always have said in words that it desires agrarian reform, but in reality it has fought against it. Let us recall that the first great violent attack upon agrarian reform had the PS government as its sole source.

PS Feint to the Left

[Question] Through its leading organs, the PS has confirmed its rejection of any alliance with the PCP. What is your comment on this attitude? Do you think that the statements by Manuel Alegre, seen as representing a "swing to the left" in the PS, moving closer to the PCP, can mean the beginning of a new phase in the relations between the two parties?

[Answer] It is necessary to distinguish between a real "swing to the left" and what is said to be a "swing to the left." The PS and Mario Soares have need of an apparent "swing to the left" in order to conceal and camouflage their real alliance with the right wing (in trade union life, in the self-governing bodies, in constitutional revision). Moreover, the right wing and the extreme right wing fully understand and applaud this PS need.

For example, the newspaper O TEMPO said some time ago that "the PS is being asked... to criticize the government violently." And it added that "the reports to the effect that the PS will swing further (!) to the left" were "received with a sigh of relief."

A PS which is collaborating with the right wing but simulating leftist opposition is the ideal ally for the reactionary parties. It deceives the socialists, serves as a break on the development of the popular struggle, strengthens support of collaborationism and facilitates the real coup d'etat which is being pursued through the revision of the constitution.

It would be well for Portuguese socialists to reflect on the example of France, which shows that a right-wing government, even if seemingly solidly anchored in power, can be voted out, but that this requires, in one way or another, an alliance of communists and socialists, and that the participation of the communists in the government of a Western European country is perfectly possible, provided that the requirements of national independence effectively exist in that country.

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CSO: 3010/13

AD-PS ATTEMPT TO REVISE CONSTITUTION WORRIES PCP

Lisbon AVANTE in Portuguese 5 Nov 81 p 3

[Text] The political commission of the CC of the PCP issued the following statement dated 30 October 1981:

"1. The Portuguese Communist Party regards it as urgent to alert Portuguese democrats and the national public immediately to the extremely serious nature of the agreement reached by the leadership of the PS [Socialist Party] and the AD [Democratic Alliance] within the constitutional amendment commission of the Assembly of the Republic on the choice and appointment of military commanders.

2. The agreement reached between the leadership of the PS and the AD to remove from the president of the republic his present military powers, giving the cabinet the authority to choose and appoint the military commanders, means that the PS leadership agrees with the AD on the desirability of subordinating the armed forces to the command and the subversive goals of the reactionary forces, and to ensure that the military establishment will be made a government and party tool, thus canceling its duty of fidelity to the democratic regime.

3. It is absolutely necessary and urgent that all democrats become keenly aware of the very serious consequences and tremendous dangers which would result for democracy if the agreement now reached between the leadership of the PS and the AD were to receive a favorable vote in the Assembly of the Republic and become a part of the constitutional text.

Given the specific situation in which we live, the solution agreed upon by the PS and the AD--the choice and appointment of military commanders by the AD government, with only formal appointment by the president of the republic--could only lead to two situations, either of which would be highly favorable to the plans and interests of the reactionary forces, while being extremely threatening to the defense of democracy:

--Either the president of the republic would agree to the recommendations of the AD government and thus would consent to handing over control of the armed forces to the AD, which would speedily establish a military hierarchy of a fascist nature and utilize it as a cover for its attack upon the democratic regime;

--Or the president of the republic would reject all of the recommendations for appointments for command of the general staff, one after the other, thus creating a situation in which the functioning of the institutions would be very difficult.

4. The agreement reached between the PS and the AD in this connection constitutes one of the most serious confirmations and evidences of the actual policy of alliance with the right wing upon which the leadership of the PS has deliberately embarked.

There are no demagogic maneuvers or hypocritical tactical adaptations which can conceal the true facts. In fact, on the very day that a document approved by the political commission of the PS formally rejected alliances with the right wing and appeared to urge a so-called "trend toward the left" in the orientation of the PS, the truth is that the leadership of the PS was arranging an alliance with the AD in the constitutional amendment committee of the Assembly of the Republic, in connection with a point of vital importance to the future of freedom and democracy in Portugal, with a view to weakening one of the basic lines of defense of the democratic regime--to provide the AD with decisive tools for its plan to liquidate democracy; to vitiate the powers of a president of the republic elected by the majority of the Portuguese people; and to allow the AD to recover almost everything the people expressly denied it when they defeated the fascist general Soares Carneiro, without appeal or recourse.

The exuberant and shameless glee being evidenced by the media affiliated with the right wing and the extreme right wing with this "consensus" reached by the PS and AD is additional proof that the solution proposed by the PS in this connection entirely serves the main goal of the AD in revising the constitution: the concentration of all the political and military power in its own hands.

5. On the other hand, no democrat should forget even for a moment that the agreement reached by the PS and the AD within the constitutional amendment committee of the Assembly of the Republic is not a law in democratic Portugal, nor is its incorporation in the basic law of the country inevitable and irreversible.

The subjection of the Portuguese armed forces--which, with the combat assistance of the people, overthrew the fascist dictatorship and made 25 April a reality--to the reactionary parties which have never forgiven them for this historic deed and which want to destroy the democratic regime, has aroused indignation, discontent and reservations in the minds of broad democratic sectors, in the Socialist Party as well. It will provoke a powerful response on the part of the workers class, the workers, the democrats--all Portuguese citizens who want the April Portugal continued.

Reconsideration by the PS leadership of its agreements with the AD in the realm of reorganizing the political regime has now become a just, democratic and national demand in connection with the process of constitutional amendment.

The Portuguese people have every right to intervene and decide about constitutional revision. It is essential that a broad popular, democratic and patriotic movement on the part of the public, breaking through the curtain of silence and the cloakroom negotiations and agreements, is needed to defend the constitution and to prevent its revision from incorporating a treasonable blow betraying the struggle of the Portuguese people and the democratic regime."

FOREIGN MINISTER ULLSTEN INTERVIEWED ON POLAND

PM181433 Stockholm SVENSKA DAGBLADET in Swedish 14 Dec 81 p 5

[Interview with Swedish Foreign Minister Ola Ullsten by Tidningarnas Telegrambyrå:
"Confrontation Has Been Chosen"]

[Text] "The official statement from party and government head Jaruzelski mean that the democratization process has been broken off. Confrontation with Solidarity has been chosen, and it has not been thought possible to pursue the line of negotiations," Foreign Minister Ola Ullsten told Tidningarnas Telegrambyrå.

[Ullsten] Current events with the introduction of military councils and martial law are not a sound basis for national unity which the army leaders say they are striving for and which we realize Poland needs.

[Question] Did this come as a complete surprise for you, or did you have a feeling that events were moving toward this?

[Answer] I had no way of knowing that this is what would happen, but we did know that the situation was tense. The fact that something did happen was no surprise.

But we had always hoped that an internal political settlement could be reached. And I suppose we will still not give up hope. But this must mean a step backwards.

[Question] Does this mean any change in relations between Poland and Sweden?

[Answer] No, apart from the fact that we must of course follow developments and express our opinions about what is happening--in the way I have already been doing. We have correct relations with Poland and I hope that we will continue to do so.

We have no plans to get in touch with those in power in Poland. We have our embassy there which supplies us with the information we may need and which has contacts at the official level.

We have people at the Foreign Ministry who follow the course of events in Poland. They report whenever anything happens.

[Question] Have you been in touch with the foreign ministers of other countries?

[Answer] I myself will arrange the contacts I need. I will have a number of conversations about the matter, including one with the Danish foreign minister-- but the only purpose is to get a picture of how people elsewhere are reacting.

We normally have contacts between the Nordic foreign ministers when something like this happens.

CSO: 3109/72

PAPER ON ENIGMA OF SOVIET SUBMARINE

PM221645 Stockholm DAGENS NYHETER in Swedish 19 Dec 81 p 2

[Editorial by Olof Santesson: "Submarine Mystery Persists"]

[Text] "Very probably" Submarine 137 violated Swedish territorial waters in order to carry out illegal activities: "The most probable motive" for its behavior is surveillance activities.

The wording seems a little cautious, but in fact the commander in chief does not want to leave any room for other speculations surrounding the Soviet submarine in his report. This is clear from the short resume which has just been published.

There is nothing new about the presence of uranium 238. No other radioactive substances were found "which could be expected to form part of nuclear warheads." But nevertheless the commander in chief finds no other possible explanation of the presence of uranium 238 than that the submarine was equipped with nuclear warheads.

The resume confirms that the submarine's log had been altered before the Swedish investigation took place. "Given the visibility conditions (5-11 km) a navigational error seems improbable," the resume states. There are several lighthouses and other points of light in the area where the submarine went aground.

The Swedish military leadership gives no credence to the submarine captain's explanation that before the grounding he was carrying out exercises east of Bornholm.

According to the resume, the assertion that the submarine was on the surface during the last 2 hours of its journey is a piece of information supplied by the submarine captain. We had been given the impression earlier that the investigation had shown this in some way. If this was the case there would have been every reason to question whether the submarine's mission really was one of surveillance.

Without any more detailed explanation it is said that it has been "confirmed that the submarine was already close to the Swedish coast on Saturday, 23 October (3 days before it ran aground)." We are really none the wiser about the real meaning of this piece of information.

It is as well that the commander in chief has made this resume of his finding. However, unfortunately it fails to disperse the question marks surrounding Submarine 137.

CSO: 3109/72

POLITICAL

SWEDEN

BRIEFS

GOVERNMENT CRITICISMS OF POLAND BACKED--"The Left-Party Communists support the government's statement after the meeting of the Foreign Affairs Council on Friday," Left-Party Communist Leader Lars Werner said on Saturday [19 December]. "We are also willing to make a joint statement on Poland with the other parties. I hope that the democratic trend begun a year ago in Poland will be allowed to continue. It has now been broken. But I am convinced that it will continue, since millions of people support continued democratization." [Excerpt] [PM231135 Stockholm SVENSKA DAGBLADET in Swedish 20 Dec 81 p 4]

CSO: 3109/72

ARMENIAN COMMUNITY LAUNCHES PUBLICITY CAMPAIGN

Geneva JOURNAL DE GENEVE in French 23 Nov 81 p 11

[Text] Switzerland's Armenian community has just launched a publicity campaign, being orchestrated by the Armenian Union of Switzerland, to acquaint the public with the more or less long-term goals it hopes to achieve by diplomatic negotiations on behalf of the Armenian diaspora that began in 1915. In a recent meeting with the press in Geneva, various members of the association put special emphasis on the need for more dialogue.

Their first goal was to persuade the United Nations Commission on Human Rights to take a more sympathetic position with respect to the Armenian exile communities scattered around the world. In concrete terms this meant that the international institutions should recognize the genocide perpetrated against Armenians in 1915 at the time of the dismemberment of the Ottoman Empire, and that it should therefore be mentioned in the report prepared on the subject by the Human Rights Commission. In fact, according to the Armenian Union representatives, the commission in 1979 had agreed to mention the 1915 genocide in its report--largely because of the intervention of the Ecumenical Council of Churches (some of whose high officials are of Armenian extraction)--and asked the chairman, a delegate from Rwanda, to amend his report to reflect this. Since then, despite a series of initiatives taken among others by the Swiss Armenian community, nothing further has happened, stressed Jean Sarkissian, president of the Armenian Union of Switzerland, at the press conference. This, he said, is the reason for the current publicity campaign in Switzerland.

Beyond pursuing that objective, to which the Armenian Union of Switzerland intends to devote its most immediate efforts, the organization is also mindful of the broader, long-term aspirations of the Armenian community scattered around the world, which are similar to those embraced by the ASALA (Armenian Secret Army for the Liberation of Armenia): on the one hand, the return of the "territories which historically belong to the Armenian people" on the continent of Asia, because geopolitical conditions are not immutable; and, on the other hand, an indemnity from Turkey for the damages sustained by the Armenian people in 1915, comparable to what the Federal Republic of Germany gave the state of Israel in reparation for the Jews who died in the concentration camps of Nazi Germany. By contrast, however, with the ASALA, the representatives of the Armenian Union of Switzerland categorically and repeatedly disassociated themselves from the violent actions for which ASALA claims responsibility. They were at pains to deny that they knew any of the ASALA members.

A Crisis of Conscience

Nevertheless, they conceded that these acts of violence committed in the name of the Armenian people have produced a real crisis of conscience in Switzerland's Armenian community. The community is wondering whether "by its indifference and complacency it has not encouraged the apostles of violence, whether it has not underestimated the forces of violence which are always waiting for the forces of peace and dialogue to fail in their search for just solutions." And they are criticizing themselves for not having "brought enough public attention to bear, and not having exerted enough moral pressure on governments and public authorities to enable the cause of the Armenian people to triumph through democratic means."

At the same press conference, the representatives of the Armenian Union of Switzerland indicated that one of them had gone to the Champ-Dollon prison in Geneva in company with a priest to meet Mardiros K., who was jailed following the attack in which he had mortally wounded an official of the Turkish consulate in Geneva. The young Armenian, whose case is before the examining magistrate, had asked his visitors to obtain literary works for him. This request is pending before the judicial authorities.

The Armenian community in Switzerland is close to 6,000 in number, the majority of whom live in Geneva and Lausanne. In recent years, immigrant workers of Armenian extraction, many of whom are converts to Islam, have come from Anatolia to swell the community's ranks by settling in German Switzerland, especially around Baden, Zurich, and Kreuzlingen. The Armenians living in Switzerland admit to identifying both with their nationality of origin--which is reinforced by their membership in the Armenian Christian Church--and with their adopted country, of which many are now citizens.

9516

CSO: 3100/165

NIKOLAOS ANDONIOU APPOINTED AS ATOMIC ENERGY DIRECTOR

Athens I KATHIMERINI in Greek 2 Dec 81 p 7

/Text/ The position of professional director of the Greek Atomic Energy Commission /EEAE/ was filled with the appointment of Nikolaos Andoniou, 42, from Thivai. He is professor of theoretical physics at Athens University and between 1947 and 1977 served as member of the EEAE administrative council.

Andoniou graduated as electrical engineer from the National Metsovion Polytechnic School and received his doctoral degree in mathematics and physics from Birmingham University. He has served as research physicist at Oxford University, the Trieste Research Center, the Tübingen University in West Germany, the European Nuclear Research Center in Geneva and the "Dimokritos" Nuclear Research Center /Athens/. In 1970 he was appointed assistant professor and 1975 professor of theoretical physics at the Athens University School of Physics and Mathematics.

He has published more than 40 works in the field of high energy nuclear physics and has participated in more than 30 congresses.

Andoniou has been a PASOK member since 1978 and a member of the Coordinating Council of the Movement for National Independence, International Peace and Disarmament.

7520

CSO: 4621/94

GENERAL

GREECE

MANOLIS BENDENIOTIS APPOINTED AS DEPUTY GOVERNOR OF SOCIAL SECURITY FOUNDATION

Athens I KATHIMERINI in Greek 19 Nov 81 p 10

/Text/ The new deputy governor of the Social Security Foundation /IKA/ Manolis Bendeniotis was born in Troizin and studied political sciences at the Pandeios Supreme School of Political Sciences /PASPE/ and law at Salonica University. He studied public administration at PASPE, business administration at the Supreme School of Economic and Commercial Sciences Institute and regional development at PASPE's Institute of Regional Development.

He practices law in Athens, specializing in public and social law. He is a special contributor to newspapers and periodicals and for more than 10 years he has been occupied with social insurance matters.

He has published many articles, research work and studies on social insurance in newspapers and magazines. He worked on the Analysis and Planning Committee and the work group of the PASOK government program for social insurance.

He was a cadre of the Greek Democratic Youth and participated in the second irreconcilable struggle of 1965-66. He was persecuted by the dictatorship.

He is a PASOK founding member and in the recent election was the first runner-up in the Piraeus-Islands District.

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CSO: 4621/94

ARIS SISOURAS APPOINTED AS GOVERNOR OF SOCIAL INSURANCE FOUNDATION

Athens I KATHIMERINI in Greek 19 Nov 81 p 10

/Text/ The new governor of the Social Insurance Foundation [IKA] is Aris Sissouras. He is professor of research at Patrai University on subjects concerning organization and social planning especially in the health sector. He was born in Mavrolithari of Fokis and is 42 years old. He studied mathematics at the University of Athens and from 1967 to 1970 studied business research, organization and administration at Birmingham University and at Manchester University in England receiving his doctorate in research for planning and organizing health and social care systems.

He is a member of the PASOK Committee on Health, special advisor to WHO work groups, member of the National Council for Medical Research of the Professional Research and Technology Service and chairman of the Committee for Health Planning.

At Patrai University he is in charge of the group researching the programming of health and social care. The group has undertaken and has prepared studies on hospital outpatient relief, the organization of emergency relief and Emergency Assistance Centers, the overcoming of the country's pharmaceutical problem, etc. At the same time, the group participates in international research programs on health, social care and insurance.

Sissouras has been intensively active in democratic and political struggles since his student days in Greece and abroad as a member of organizations and societies. He has been a PASOK member since its inception and has been very active in PASOK's local organizations and the professional's branch. He is a member of the presidium of the Movement for National Independence, International Peace and Disarmament.

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CSO: 4621/94

BRIEFS

SOCIAL SECURITY AGREEMENT WITH CYPRUS--A bilateral social security agreement was signed yesterday between Greece and Cyprus. Social Services Deputy Minister K. Kaklamanakis and Labor and Social Insurances Minister Stavrianakis signed the agreement on behalf of Greece and Cyprus respectively. The agreement renews and improves the 1978 one which expired 31 July 1981. It insures the Greek and Cypriot citizens working in Cyprus and Greece respectively and grants them the right to transfer their time of employment from the insurance agency of their country to that of the other. During the agreement signing ceremony Kaklamanakis said that the cooperation between the two countries is about to be extended to other sectors of insurance and welfare and that similar agreements will be signed soon with other countries. [Text] [Athens I KATHIMERINI in Greek 2 Dec 81 p 2]
7520

CSO: 4621/94

NEW HIGHER EDUCATION LAW ASSESSED

Outline, Purpose of Law

Istanbul MILLIYET in Turkish 7 Nov 81 p 3

[Text] Ankara--Under the Higher Education Law, which went into effect yesterday upon publication in the RESMI GAZETE, a university president can be appointed from outside the school. An HEC [Higher Education Council] will name four candidates, two of whom shall be employed at a university, and the university president will be selected from among these by the president of Turkey. If the council does not name candidates, the president of Turkey will make the appointment directly.

In accordance with the law, the rotation period has been set at 2 years. Faculty members will be provided through the rotation system to universities that experience teacher shortages. Faculty members that do not transfer to these posts will be considered to have resigned and will be unable to return to a university without completing their original assignment.

Student fees will be set by the HEC. METU [Middle East Technical University] and the University of the Bosphorus will operate in accordance with the new law. Adjustments in the teaching staffs at these universities will be made. Associate professors will be considered to be assistant professors.

Topics related to institutions of higher education that are affiliated with the Turkish Armed Forces and security organizations will be regulated by a separate law. On the day this law was published, the inter-university council, senate, university administrative council, and faculty, institute, and schools of higher education administrative councils that were functioning were abolished. They will be reestablished in accordance with the new law.

However, university presidents that were serving at that time will keep their positions until 31 July 1982. New appointments will be made after that date.

The terms of faculty deans, directors of institutes and schools of higher education, and department chairmen will end on 31 August 1982. The changes and principles of the Higher Education Law are, as follows:

Reorganization

[1.] Under this law, the new Higher Education Council will be established by 6 February 1982 at the latest. Until the HEC secretarial staffs, place of work, and budget have been determined and the HEC has begun to function, the present interuniversity council secretary will perform secretarial services under the command of the chairman of the HEC.

[2.] In the law, higher education is defined as "all of the training and education at every level that follows secondary education and that comprises a minimum of four semesters."

[3.] The highest organization for higher education will be the "Higher Education Council and Interuniversity Council."

[4.] The university is defined as a teaching institution and public corporate body possessing academic autonomy and consisting of faculties, institutes, schools of higher education, and similar organizations and units that engage in educating, at the highest level, teaching, scientific research, and publishing.

Purpose of Law

The purpose of the law has been determined to be to educate students who are bound to Kemalist nationalism for the achievement of Kemalist reforms and principles; possess the national, moral, humanistic, spiritual, and cultural values of the Turkish people; feel proud and fortunate to be a Turk; hold the public good above personal gain; are full of love for family, nation, and its people; are aware of their duties and responsibilities to the Republic of Turkey; respect human rights; and possess a broad view of the world and the power to think freely and scientifically so as to put these attributes into action.

[5.] In accordance with the basic principles, it will be ensured that students acquire a consciousness of service tied to Kemalist nationalism for the achievement of Kemalist reforms and principles.

[6.] Students will be nurtured within a universal culture that takes into consideration our special form and characteristics and that is bound to our national culture, customs, and traditions. Students will acquire the spirit and will to strengthen national unity and brotherhood. The principle of unity in education will be ensured.

[7.] Measures will be taken to ensure equal opportunity in higher education. New universities will be established by law.

[8.] Institutions of higher education affiliated with ministries that train professional personnel will be able to be established by Council of Minister decision under principles to be determined by the HEC.

[9.] In institutions of higher education, the history of Kemalist principles and reforms, the Turkish language, and a foreign language will be required courses during the academic year. Furthermore, physical education and a course in the branch of fine arts will also be placed in the curricula as required courses.

Higher Education Council

[10.] The selection of the members of the HEC will be as follows. The HEC will consist of eight persons selected by the president of Turkey, preferably from among the persons who have served as university presidents; six persons chosen by the Council of Ministers from among civil servants and retired civil servants from the highest level who have excelled outside the university; one person selected by the General Staff Chairman's Office from within its own structure; two persons selected by the Ministry of National Education from within its own structure; and eight persons chosen by the interuniversity council from among the faculty members who are not on the interuniversity council and who have served for at least 25 years on the faculty.

Appointments made by the Council of Ministers, Ministry of National Education, and interuniversity council to the 25-member HEC will become final upon the approval of the president of Turkey. If these organizations do not nominate persons at the outset within 1 month or name new candidates within 2 weeks when the president disapproves of original candidates, members will be appointed directly by the president of Turkey.

[11.] Terms of council membership will be 8 years. The member chosen by the General Staff Chairman's Office will serve for 2 years.

[12.] Every 2 years, one-fourth of the members will be changed. New elections will be held to replace members whose terms have expired and those who have left the council for any reason whatsoever.

[13.] The president of Turkey will select a council president from among the council members for a 4-year term. The council president will name two vice-presidents from among the council members for 2-year terms.

[14.] When deemed necessary, the minister of national education will join the council and serve as president. A quorum for an HEC meeting will be 16 members.

[15.] HEC members' wages will be set by the Council of Ministers, but cannot exceed twice the monthly salary (including supplementary indices, side benefits, and compensation) paid to the highest-level civil servants under

Civil Servants Law No 657. Retirees that are selected will continue to receive their pensions.

[16.] HEC members will not be able to work for any public institution or private organization whatsoever.

The duties of the HEC are, as follows:

[17.] To ensure that institutions of higher education are established and directed and that teaching and instruction activities are put into practice so as to achieve the goals, purpose, and principles set down in this law; to devise short and long-term plans; and to supervise and oversee the use of resources assigned to universities to ensure that they are utilized effectively within the framework of this program. To ensure coordination and cooperation among institutions of higher education.

[18.] To propose the establishment of new universities and, when necessary, the consolidation of existing universities.

[19.] The council will make decisions to open or close faculties, institutes, and colleges within a university and will transmit these decisions to the Ministry of National Education.

Higher Education Supervisory Council

[20.] The Higher Education Supervisory Council will oversee teaching, training, and other activities at universities in behalf of the Higher Education Council, thereby assuring that they comply with the goals and basic principles set down in this law. The supervisory council will carry out disciplinary investigations of university presidents upon the request of the Higher Education Council.

Interuniversity Council

[21.] The Interuniversity Council will consist of university presidents, a professor from the armed forces serving a 4-year term and selected by the General Staff Directorate, and a professor from each university serving a 4-year term and selected by the senate of the respective university.

[22.] Each university president will serve as chairman of the Interuniversity Council for a 1-year term. The council will meet at least twice each year. When necessary, the minister of national education and the Higher Education Council chairman will join this council.

[23.] The Interuniversity Council will determine which measures to take to meet the needs for faculty members; will draft regulations to deal with teaching, training, scientific research, and publishing activities that pertain to all universities; will determine criteria for doctorate degrees; and will evaluate qualifications for the posts of assistant professor and professor.

The section of the law dealing with students includes the following points:

A student who is qualified to enter an institution of higher education and who seeks to do so will have the right to take the entrance examination three times within 6 years following completion of his secondary education; once if he is registered at an institution of higher education and seeks to take the examination again; and twice if he has completed study at an institution of higher education and wishes to transfer into another branch of study. However, one's accomplishments achieved during secondary schooling will add points to his score on these tests. A candidate who completes his secondary education at the top of his class will be placed in an institution of higher education by keeping in mind his scores and preferences as well as quotas set for each institution of higher education.

Party Membership Prohibited

Under the law, neither students at every level nor teaching personnel at institutions of higher education may be members of political parties or their affiliate organizations nor may they engage in political activity in behalf of a party. They must obtain written permission from the university president in order to join any association other than one that serves the public.

Discipline, Penalties

[24.] Penalties will begin with a reprimand and will lead to expulsion for between a week and a month, one or two semesters, or from the school if any other infraction is committed by a student who acts in a manner either within or outside an institution of higher education such as to harm the character, honor, or dignity of a student of an institution of higher education; who directly or indirectly impedes freedom to learn or teach; who destroys the tranquility, peace, or working order of these institutions; who participates in activities such as boycotts, occupations, or blockades or who encourages or incites these; who acts in a manner that shows lack of respect; or who participates in anarchic or ideologic actions or who encourages or incites these activities.

[25.] A disciplinary investigation will be completed within 15 days. If a student does not defend himself during this period, it will be assumed that he has waived this right.

[26.] A decision to expel a student from an institution of higher education will be relayed to all institutions of higher education and to the pertinent military branch, and the student will not be admitted into any other institution of higher education.

[27.] Regulations proposed by this law will be revised and put into effect within 9 months. While this is being done, current examination evaluation rules dealing with passing a class and completing a grade will remain in force until the end of the 1981-1982 school year.

[28.] Under this law, until staffs are reorganized, appointment to empty posts cannot be made without first receiving permission.

Temporary Articles

[29.] A temporary article added to the law sets 70 as the age limit for the retirement of faculty members in 1982; 69 in 1983; and 68 in 1984. Those who, as associate professors under the former regulations as of 30 June 1982, are to be promoted to professors in accordance with statutes of this law must pass a foreign language examination proposed by the law for associate professors and written by the central system.

[30.] Faculty members who come under this law must state, within a year following the date the law becomes effective, whether they prefer to work under permanent or part-time status. Appointments of those who state their preference will be made in accordance with statutes of this law. Those who do not state their preference will be dismissed from the institution.

[31.] Universities and other institutions affiliated with them must be reorganized within 6 months following enactment of the law. These institutions will begin the 1982-1983 school year with these new characteristics.

[32.] A statute of the law that deals with the foreign language program requirement for foreign students will become effective for the 1983-1984 school year.

[33.] The date the law statute concerning the age limit for retirement becomes effective has been set at 1985. Under the law, retirement age will be 67.

What Law Introduces for Students

[1.] Achievements from secondary school will be acknowledged as additional points for a student using a method to be established by the Student Selection and Placement Center and will be added to the score received on the entrance examination for institutions of higher education. A candidate who completes his secondary education at the top of his class will be placed, keeping in mind his choices and points, under the quota system set for institutions of higher education.

[2.] It was decided that all students who have earned the right to enter an institution of higher education may take the entrance examination three times at the most within 6 years of completing their secondary education. The law states that those registered at an institution of higher education and seeking to take the examination again may do so only once.

[3.] Each year, the fees students are compelled to pay institutions of higher education will be set and announced by the HEC, keeping in mind the proposals of the institutions of higher education and the characteristics and lengths of studies of the branches of education. At the most, one-fifth

of the cost of each educational or training program including foreign-language preparation programs, if there are these, will be accepted as fees from students. Students who desire may take out a government loan or may have the fees paid by the government in exchange for services to be performed later.

For Faculty Members

[1.] The term of university professors serving on the date this law became effective will end on 31 July 1982; of faculty deans, directors of institutes and colleges, and department chairmen, on 31 August 1982. Appointments that will become effective on these dates will be made in accordance with this law.

[2.] The selection of university administrators will also be carried out using the new principles of the Higher Education Law. It was decided that university presidents will be named for 5-year terms by the president of Turkey from among the candidates put forth by the HEC who have served as professors for at least 15 years.

[3.] A statute of the law adopts the principle of rotation, and faculty members will be assigned to work, as needed, at another university for two school years. It will be assumed that those who do not go to the posts assigned them by the HEC have "resigned."

[4.] Under the law, neither faculty members nor students at institutions of higher education may be members of political parties or their auxiliary organizations. Permission from the university president is required in order to join a society.

For School Administration

[1.] With the law, the goods, staff, and personnel of the University Selection and Placement Center, which has been the only official organization involved in university entrance procedures to date, has been affiliated with the HEC. It was decided that registration and examination fees received from student candidates for the selection and placement examinations will be collected in an HEC student selection and placement fund that will be established.

[2.] While the administrative autonomy of universities has been lifted by the law, a higher education council has been established. Existing university administrative bodies were abolished upon implementation of the law. A higher education supervisory council was formed to oversee institutions of higher education.

[3.] Under this law, immediately following the formation of the HEC, this organization will examine the situations of the academies, faculties, institutes, and colleges that existed when the law went into effect; will

determine which of these are to become universities and which are to be attached to universities or ministries, will set criteria for the formation or elimination of faculties, institutes, and colleges within universities, will make the necessary legal revisions, and will submit them to the Ministry of National Education within 6 months following enactment of the law. The necessary measures will be taken so that these institutions begin the 1982-1983 school year with their new characteristics.

Academicians React

Istanbul CUMHURİYET in Turkish 9 Nov 81 pp 1,6

[Text] Ankara--Whereas Minister of National Education Hasan Saglam states that the "Higher Education Law brings order to institutions of higher education," faculty members criticize several articles dealing with the HEC [Higher Education Council]. When asked by a CUMHURİYET correspondent to give his views on the HEC, Minister of National Education Saglam responded by saying, "With the law, new order is brought to institutions of higher education as a whole. Higher education is bound by rules in a widespread manner throughout Turkey. Institutions of higher education which have been established and directed by various laws over the years have been organized. These innovations have been set to law with good intentions. The law was drafted with good intentions." Faculty members serving at various schools announced their views on the Higher Education Law.

Prof Dr Turkan Akyol, president of Ankara University stated, "As soon as the Higher Education Law was published, our presidential office began to examine it carefully. The new law, in comparison with the old, brings with it basic changes.

"Before everything else, we have doubts that several of the articles related to the composition of university and faculty organs can be put into practice today. It was deemed necessary to study the covering memoranda of the articles in order to be able to shed light on these topics. I believe that it would be appropriate to hold discussions between university presidents so as to reach a common understanding and for the purpose of implementing some urgent measures at our universities.

"Furthermore, it must not be forgotten that it will be possible to make a complete evaluation of the new law only after the composition of the HEC is determined and after the regulations this organization is responsible for drafting become definite."

Prof Cevat Geray, dean of the Faculty of Political Sciences, said, "In the future, when governments with political roots come to power, there will be the danger that the power given them will be used as a means of repression as has happened in the past, since the majority of the members will be appointed by the Council of Ministers. We have seen examples of this in the past. Today, the administration consists of nonpartisan persons. When

the transition is made to a multiparty democratic life, political governments will be able to use these powers negatively."

Associate Prof Dr Gurel Tuzun from METU [Middle East Technical University] asserted, "The university has been struck a negative blow. The loss of faculty members will lower the quality of instruction. The political influence of the HEC will increase."

Associate Prof Korel Goymen from METU said, "One of the fundamental characteristics of the law is that universities located in regions possessing different socioeconomic attributes and those whose methods of development to date have been unique have been made to serve as models. Secondly, the autonomy of universities has been lifted in regard to authority, and universities are open to all sorts of influences from political governments in the future in regard to composition of the HEC. In my opinion, it is not possible to differentiate between the administrative autonomy of universities and academic autonomy. The reorganization in the form of departments is positive, but there is a lack of the necessary cooperation and of the needed accessibility to all sorts of faculty members. The fact that research activities have been considered in the manner of circulating capital that is not flexible can create difficulties. The fact that assistant faculty members have temporary status creates the possibility that insufficient numbers of persons will seek these posts and pursue this profession."

"The number of bureaucratic organs has been increased, and everyone has been inserted in a hierarchy. Faculty members are seen only as persons who conduct classes. The contents of regulations that the law proposes will be drafted also bear importance. These must be evaluated separately."

Prof Bahri Savci from the Faculty of Political Sciences stated, "It had become imperative to place all of higher education under one roof and to organize it. The law attempts to fulfill this need. It is necessary to look at the law positively in this respect."

"Secondly, the law changes, from its very roots, the executive nature of the administration with bodies that are formed through elections. This is not appropriate from the standpoint of progress. By depriving education at the primary school level, at the secondary school level, at the level of the HEC, which is not autonomous, and even at the universities of an old system that, to date, dealt with problems within the institution through joint committees and projects and by depriving appointments in bodies that are basic to education of the supervision of public opinion and of innocent criticism and supervision that would come out in an election, the function of depending on a hierarchy will become a bit more complicated."

Prof Dr Ozer Serper, acting chairman of the Bursa Academy of Economics and Commercial Sciences and dean of the Faculty of Business Administration, stated:

"It is nice that, under the universities and academies law, a year's grace has been granted to those who have applied to take the associate professor examination, but who have not attained the rank of associate professor so that they can continue to work at the level they have reached and may complete the remaining phases. However, it is a fact that academies are left out in the cold by the law. Because the current faculty members of universities will be taken into consideration when the councils that are being dissolved by the temporary article of the law are reformed, the eight faculty members chosen by the Interuniversity Council for the HEC will also have been selected from among existing faculty members. Under these conditions, it will not be possible for academies to be represented on the HEC, which reorganizes higher education and which will give direction to the activities of institutions of higher education. We hope that, among the eight members chosen by our respected president of the republic, there will be representatives of academies."

Prof Dr Serper, who pointed out that Article 66 of the law requires clarification, reported that it was appropriate that the second foreign language examination required for promotion to full professor be eliminated. He said, "In order to be promoted to full professor, there is the restriction that a person must be appointed to a professor's position. However, I am of the opinion that it will be beneficial to have a person promoted to a full professorship first and then have him assigned to a post."

Prof Dr Serper reported that, in order for an employee who has earned a doctorate degree to be promoted to professor, he will be subject to rotation three times for a total of 8 years. He noted that, as a result of this statute, he believes that a number of personnel will break away from the university.

Prof Dr Uner Tan, chairman of the Physiology Department of Ankara University's Faculty of Medicine, stated, "The HEC law will make the universities operational. The requirement of being appointed professor is excellent. No faculty member who loves to work will be made uncomfortable by the HEC law. For years, associate professors who have served their terms have been appointed to full professorships. And for this reason, scientific work could not be carried out."

"Under the new HEC law, it is necessary for those who are to become professor to have an original work published internationally. In this way, associate professors who seek to become professors will work more productively."

Istanbul TERCUMAN in Turkish 8 Nov 81 pp 1,14

[Article by Nazli Ilicak]

[Text] In an article criticizing the university law, Oktay Eksi speaks of the creation of a "silent academic world." As a matter of fact, the "Higher Education Law," which does away with administrative autonomy and which leaves all sorts of appointments to organizations such as the HEC [Higher Education Council], takes from faculty members the opportunity to think independently or to express ideas freely. The reserved statement of Istanbul University President Cemi Demiroglu is a harbinger of things to come. We can give another example, this one from the Aegean University. The president of the Aegean University announced that "henceforth, teaching will be able to be conducted in a more democratic (!) manner." Was he sincere, or did anxiety about coming before the HEC and officials conquer him? Similar doubts will easily appear in the public's mind, and the time will come when efforts to appear to love the government will lead to self-sacrifice rather than self-respect. There will be a "silent academic world world." There will be timid academicians who speak out only to the degree that they do not disturb the peace.

We have Ataturk's words, which exalt scholars as much as knowledge. He said, "Two armies are needed. The first is the army of soldiers, which defends the life of the motherland. The other is the army of knowledge, which congeals the independence of the people. Both of these armies are valuable, noble, productive, honored. But which is more valuable? Which is preferred over the other? There is no doubt that such a choice cannot be made. Both of these armies are vital.

"However, in order to explain to you members of the army of knowledge the value and sanctity of the army to which you belong, let me say that you are members of an army that teaches the members of the first army, who kill and are killed, why they kill and are killed."

It is not very certain to what degree the universities law will create an army of knowledge and science. Those who remember the faulty practices that were pursued prior to 1960 are especially engulfed in deep depression. Faculty members, who have lost a great deal of their security, will be toys in the hands of political governments. Promotions and appointments to empty positions will be completely decided and confirmed at the pleasure of the executive body.

The president of Turkey selects eight members to the HEC, which has broad powers over universities; the Council of Ministers, six members; the chairman of the General Staff, one member; and the Ministry of National Education, two members. The Interuniversity Council can only choose eight members. In fact, when one considers the structure of the Interuniversity

Council, the characteristics of those who make up the council, and the requirement that all appointments to the HEC be approved, in the end, by the president of Turkey, it becomes obvious that, as a result of complex mechanisms, universities are directly tied to the president. Here, the personality and beliefs of the president gain great importance. When this extraordinary period ends and normal political activities resume, a socialist administration could come to power and could easily take over universities. If we give broad powers to political governments and fail to guarantee freedoms, we, in the end, create dictatorial administrations. It is a mistake to assume that every president of the nation will be as nonpartisan, well-intentioned, and nationalistic as Evren Pasha and to base foundations of laws on this supposition.

The Higher Education Law sets down the following principles, which strengthen the government's hand in the job of making appointments of professors and associate professors and which do away with the security of faculty members:

1. An assistant professor (an assistant who has received his doctorate) is appointed to serve for a period of 2 years. If, at the end of 6 years, he fails to become an associate professor, his relationship with the university will be severed. The university president makes appointments. (The university president is selected by the president of the Republic.)

Under these conditions, an assistant professor faces the danger every 2 years of having his ties with the university cut off. He must definitely find an empty associate professor's position by the end of 6 years. He can be appointed to the post of associate professor by the president of the university, who takes into consideration the views of the HEC. An assistant professor who, after 6 years, does not find a position is forced to leave the university. This means that a faculty member, whose fate hangs by a thread, must please the administration from the time he is a youth. A natural result of the system of influence is to attempt to conquer the heart of officials rather than pursue knowledge in order to be assigned a post in a nice, comfortable region.

2. Let us say that an assistant professor finds an empty position, comes before the scrutiny of the HEC and the president, and is appointed. This does not end the affair. His effort not to go against the views of the HEC, the only official organization in this field, will be behind his every statement, his every action until he becomes a full professor. This is because it is the HEC that names professors to empty chairs.

3. Every sort of security has been taken from professors who do not accept full-time jobs, who only wish to work "part-time." They are only allowed to work under 2-year contracts. Just as, at the end of 2 years, it is possible for them to be appointed to a post, it is also within the realm of possibility that their contracts will not be renewed. This, too, is a statute that abandons professors that accept part-time employment to the arbitrary actions of political governments.

In contrast to these objections, we are able to interpret statutes directed toward eliminating shortages of faculty members at some universities as positive. Being able to rotate faculty members or promote an associate professor from one university to the post of full professor at another university is a step toward the goal of eliminating imbalance between regions.

Furthermore, there is a positive aspect to the law in that the principles which are included in the article dealing with the purpose of the law and which will be pursued when educating youths have been written from a nationalist's point of view. However, because of the reasons we have cited, it will be very difficult to protect from changing political winds a university that is bound to political governments. In its recent history, Turkey has experienced tragedy in its educational institutes. Teacher-training schools in the hands of extreme left and extreme right cliques became an arena for political dispute.

The means to protect universities from the arbitrary power of governments and to save their academic value requires administrative autonomy. The reaction toward the imperfections that existed in the past must not drag us into a situation that leads to new objections and to new reactions of a different nature.

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